

119TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Dairy Production Stabilization Act of 1983 to establish a dairy market stabilization program, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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Mr. WELCH (for himself and Mr. SANDERS) introduced the following bill; which was read twice and referred to the Committee on

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**A BILL**

To amend the Dairy Production Stabilization Act of 1983 to establish a dairy market stabilization program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Milk From Family  
5 Dairies Act of 2026”.

6 **SEC. 2. DEFINITION OF SECRETARY.**

7 In this Act, the term “Secretary” means the Sec-  
8 retary of Agriculture.

1 **SEC. 3. DAIRY MARKET STABILIZATION PROGRAM.**

2 (a) IN GENERAL.—The Dairy Production Stabiliza-  
3 tion Act of 1983 (Public Law 98–180; 97 Stat. 1128) is  
4 amended by adding at the end the following:

5 **“Subtitle D—Dairy Market**  
6 **Stabilization Program**

7 **“SEC. 141. DEFINITIONS.**

8 “In this subtitle:

9 “(1) ALLOWABLE MILK MARKETINGS.—The  
10 term ‘allowable milk marketings’ means the quantity  
11 of milk production that a producer may produce  
12 during a quarter without incurring a market access  
13 fee, as determined under section 143(a)(3).

14 “(2) ALTERNATIVE MARKET ACCESS FEE.—The  
15 term ‘alternative market access fee’ means a fee de-  
16 scribed in section 143(b)(2) that is assessed on all  
17 milk produced in excess of the allowable milk mar-  
18 ketings of a producer.

19 “(3) APPEALS COMMITTEE.—The term ‘Appeals  
20 Committee’ means the Producer Appeals Committee  
21 established under section 142(c).

22 “(4) FLOOR PRICE.—The term ‘floor price’  
23 means the minimum price that a producer shall re-  
24 ceive for milk, as established under section  
25 142(b)(5)(B).

1           “(5) MARKET ACCESS FEE DIVIDEND.—The  
2 term ‘market access fee dividend’ means the market  
3 access fees collected during an applicable quarter  
4 that are redistributed to producers with allowable  
5 milk marketings under section 143(c).

6           “(6) MILK HANDLER.—The term ‘milk handler’  
7 means a person that makes payments to a producer  
8 for milk produced in the United States and pur-  
9 chased from the producer for commercial use.

10           “(7) NATIONAL BOARD.—The term ‘National  
11 Board’ means the National Dairy Producer Board  
12 established under section 142(b).

13           “(8) NATIONAL PRODUCTION BASE.—The term  
14 ‘national production base’ means the total quantity  
15 of milk production that all producers may produce  
16 in all regions during a calendar year, as determined  
17 under section 143(a)(2).

18           “(9) ORDER.—The term ‘order’ means an order  
19 issued by the Secretary under section 142(a).

20           “(10) PRODUCER.—

21           “(A) IN GENERAL.—The term ‘producer’  
22 means any person engaged in the production of  
23 bovine milk for commercial use.

1           “(B) INCLUSIONS.—The term ‘producer’  
2 includes any producer holding a license to  
3 produce milk.

4           “(C) EXCLUSION.—The term ‘producer’  
5 does not include a person engaged in the pro-  
6 duction of bovine milk for commercial use on a  
7 certified organic farm or certified organic han-  
8 dling operation (as those terms are defined in  
9 section 2103 of the Organic Foods Production  
10 Act of 1990 (7 U.S.C. 6502)).

11          “(11) PROGRAM.—The term ‘Program’ means  
12 the Dairy Market Stabilization Program established  
13 under section 142(a).

14          “(12) QUARTER.—The term ‘quarter’ means  
15 each of the following 4 quarters of a calendar year:

16               “(A) January 1 through March 31.

17               “(B) April 1 through June 30.

18               “(C) July 1 through September 30.

19               “(D) October 1 through December 31.

20          “(13) REGION.—The term ‘region’ means each  
21 of the following:

22               “(A) Region 1, Northeast, consisting of the  
23 States of Connecticut, Delaware, Maine, Mary-  
24 land, Massachusetts, New Hampshire, New Jer-

1           sey, New York, Pennsylvania, Rhode Island,  
2           Vermont, and West Virginia.

3           “(B) Region 2, Southeast, consisting of the  
4           States of Alabama, Arkansas, Florida, Georgia,  
5           Kentucky, Louisiana, Mississippi, Missouri,  
6           North Carolina, South Carolina, Tennessee, and  
7           Virginia.

8           “(C) Region 3, Midwest, consisting of the  
9           States of Illinois, Indiana, Iowa, Michigan, Min-  
10          nesota, Nebraska, North Dakota, Ohio, South  
11          Dakota, and Wisconsin.

12          “(D) Region 4, South, consisting of the  
13          States of Kansas, New Mexico, Oklahoma, and  
14          Texas.

15          “(E) Region 5, Northwest, consisting of  
16          the States of Colorado, Idaho, Montana, Or-  
17          regon, Utah, Washington, and Wyoming.

18          “(F) Region 6, West, consisting of the  
19          States of Arizona, California, and Nevada.

20          “(G) Region 7, Noncontiguous, consisting  
21          of any States and territories that elect to par-  
22          ticipate in the Program pursuant to section  
23          142(e), if at least 1 State or territory elects to  
24          participate.

1           “(14) REGIONAL BOARD.—The term ‘Regional  
2 Board’ means a Regional Milk Marketing Order  
3 Board established under section 142(d).

4           “(15) REGIONAL PRODUCTION BASE.—The  
5 term ‘regional production base’ means the total  
6 quantity of milk production that all producers may  
7 produce in a region during a calendar year, as deter-  
8 mined under section 143(a)(2).

9           “(16) SECRETARY.—The term ‘Secretary’  
10 means the Secretary of Agriculture.

11           “(17) STANDARD MARKET ACCESS FEE.—The  
12 term ‘standard market access fee’ means a fee as-  
13 sessed under section 143(b) on all milk produced by  
14 a producer.

15 **“SEC. 142. ESTABLISHMENT.**

16           “(a) ISSUANCE OF ORDERS.—

17           “(1) PROPOSED ORDER.—Not later than 60  
18 days after the date of enactment of this subtitle, the  
19 Secretary shall publish in the Federal Register a  
20 proposed order to establish a program, to be known  
21 as the ‘Dairy Market Stabilization Program’, that  
22 shall apply to all producers within the contiguous  
23 United States that produce milk for sale commer-  
24 cially.

1           “(2) FINAL ORDER.—After providing notice  
2           and opportunity for public comment on the proposed  
3           order under paragraph (1), but not later than 90  
4           days after publication of the proposed order, the  
5           Secretary shall issue an order to establish the Pro-  
6           gram.

7           “(3) REFERENDUM ON CONTINUATION OF PRO-  
8           GRAM.—

9           “(A) IN GENERAL.—Not later than 5 years  
10           after the date of enactment of this subtitle, the  
11           Secretary shall conduct a referendum among  
12           producers who, during a representative period  
13           (as determined by the Secretary), have been en-  
14           gaged in the production of milk for commercial  
15           use, for the purpose of ascertaining whether the  
16           Program then in effect shall be continued.

17           “(B) VOTING PROCEDURE.—For purposes  
18           of voting in the referendum—

19                   “(i) each producer shall be entitled to  
20                   cast the vote of the producer; and

21                   “(ii) a cooperative association of pro-  
22                   ducers may not vote on behalf of the mem-  
23                   bers of the association.

24           “(C) DETERMINATION.—The Program  
25           shall be continued after the date of the ref-

1            referendum only if the Secretary determines that  
2            the Program has been approved by not less  
3            than a majority of the eligible producers voting  
4            in the referendum.

5            “(D) TERMINATION.—If continuation of  
6            the Program is not approved by a majority of  
7            the eligible producers voting in the referendum,  
8            the Secretary shall—

9                    “(i) terminate the collection of fees  
10                    under the Program not later than 180  
11                    days after the Secretary determines that  
12                    termination is favored by a majority of the  
13                    eligible producers voting in the ref-  
14                    erendum; and

15                    “(ii) terminate the Program in an or-  
16                    derly manner, as soon as practicable, after  
17                    that determination.

18            “(b) NATIONAL DAIRY PRODUCER BOARD.—

19                    “(1) IN GENERAL.—The order shall provide for  
20                    the establishment of a board of directors, to be  
21                    known as the ‘National Dairy Producer Board’, to  
22                    advise the Secretary on the administration of the  
23                    Program at the national level.

24                    “(2) COMPOSITION.—The National Board shall  
25                    be composed of the following members:

1           “(A) 2 producers appointed with respect to  
2 each region by the Secretary, under the advise-  
3 ment of the applicable Regional Board.

4           “(B) 1 representative of dairy consumers  
5 appointed by the Secretary.

6           “(C) 1 representative of fluid milk bottlers  
7 appointed by the Secretary.

8           “(D) 1 representative of dairy product  
9 processors appointed by the Secretary.

10          “(3) TERMS.—Each member of the National  
11 Board shall serve for a term of 3 years.

12          “(4) ADVISOR.—

13           “(A) IN GENERAL.—The Secretary shall  
14 appoint a dairy economist to advise the Na-  
15 tional Board.

16           “(B) NONVOTING MEMBER.—The indi-  
17 vidual appointed under subparagraph (A) shall  
18 be a nonvoting member of the National Board.

19          “(5) SPECIFIC DUTIES.—

20           “(A) ESTIMATES OF MILK PRODUCTION  
21 AND CONSUMPTION.—The Secretary, under the  
22 advisement of the National Board and in co-  
23 ordination with the Economic Research Service,  
24 shall annually estimate the total quantity of

1 milk produced and consumed in the contiguous  
2 United States.

3 “(B) FLOOR PRICE.—Each quarter, the  
4 Secretary, under the advisement of the National  
5 Board, shall establish a variable floor price for  
6 milk, based on the herd size of each dairy,  
7 which shall take into account—

8 “(i) the economic conditions of the  
9 dairy industry in the United States;

10 “(ii) the economic conditions of the  
11 world dairy market;

12 “(iii) the commercial disappearance of  
13 fluid and manufactured milk products;

14 “(iv) the domestic on-farm cost of  
15 producing raw milk, based on herd size, in-  
16 cluding—

17 “(I) the cost of feed;

18 “(II) the cost of labor, including  
19 the reasonable value of the labor and  
20 management of the dairy producer;

21 “(III) machinery expenses;

22 “(IV) the cost of land;

23 “(V) interest expenses; and

24 “(VI) other cash expenses, in-  
25 cluding the cost of hauling, veterinary

1 services and medicine, bedding and  
2 litter, marketing, custom services and  
3 supplies, fuel, lubrication, electricity,  
4 machinery and building repairs, labor,  
5 association fees, and assessments;

6 “(v)(I) the domestic mailbox milk  
7 price paid to producers in the United  
8 States; and

9 “(II) the margin between that milk  
10 price and the domestic on-farm cost of pro-  
11 ducing raw milk referred to in clause (iv);

12 “(vi) other economic forces affecting  
13 producers;

14 “(vii) probable trends in production  
15 and consumption of milk and milk prod-  
16 ucts;

17 “(viii) the level of dairy farm prices in  
18 relation to production costs;

19 “(ix) the financial condition of pro-  
20 ducers; and

21 “(x) the costs and charges for pro-  
22 ducing, hauling, handling, processing, dis-  
23 tributing, selling, and conducting all other  
24 services performed with respect to milk  
25 and milk products.

1                   “(C) PRODUCTION BASE.—The Secretary,  
2                   under the advisement of the National Board,  
3                   shall administer the system of national produc-  
4                   tion base and regional production base in ac-  
5                   cordance with section 143(a)(2).

6                   “(c) PRODUCER APPEALS COMMITTEE.—The order  
7                   shall require the Secretary, under the advisement of the  
8                   National Board, to establish a committee, to be known as  
9                   the ‘Producer Appeals Committee’, to advise the Secretary  
10                  on appeals of decisions made under the Program.

11                  “(d) REGIONAL MILK MARKETING ORDER  
12                  BOARDS.—

13                   “(1) IN GENERAL.—The order shall provide for  
14                   the establishment of a board of directors for each re-  
15                   gion, each of which to be known as a ‘Regional Milk  
16                   Marketing Order Board’, to advise the Secretary on  
17                   the administration of the Program with respect to  
18                   the region for which the Regional Board is estab-  
19                   lished.

20                   “(2) COMPOSITION.—Each Regional Board  
21                   shall be composed of 15 members, of whom—

22                           “(A) 12 shall be producers;

23                           “(B) 1 shall represent dairy consumers;

24                           “(C) 1 shall represent fluid milk bottlers;

25                   and

1           “(D) 1 shall represent dairy product proc-  
2           essors.

3           “(3) ELECTION.—

4           “(A) IN GENERAL.—The Secretary shall  
5           hold an election of producers in each region to  
6           select the members of each Regional Board.

7           “(B) VOTING.—For purposes of voting in  
8           the election—

9           “(i) each producer shall have 1 vote  
10           per region in which the dairy producer has  
11           a dairy; and

12           “(ii) a cooperative association of pro-  
13           ducers may not vote on behalf of the mem-  
14           bers of the association.

15           “(4) TERMS.—Each member of a Regional  
16           Board shall serve for a term of 5 years.

17           “(5) ACCOUNTABILITY.—

18           “(A) IN GENERAL.—The Secretary, under  
19           the advisement of the National Board, shall es-  
20           tablish for the Regional Boards minimum re-  
21           quirements for transparency and accountability,  
22           including—

23           “(i) requirements for regular county-  
24           and State-level meetings; and

1                   “(ii) requirements to conduct public  
2                   hearings.

3                   “(B) GAO REVIEWS.—The Comptroller  
4                   General of the United States shall conduct re-  
5                   views—

6                   “(i) to assess the adequacy of the re-  
7                   quirements established under subpara-  
8                   graph (A); and

9                   “(ii) to assess the compliance of Re-  
10                  gional Boards with those requirements.

11                  “(6) ADMINISTRATIVE FEE.—

12                  “(A) IN GENERAL.—The Secretary, under  
13                  the advisement of the National Board, shall es-  
14                  tablish an administrative fee to be paid by each  
15                  producer in a region to fund the activities of  
16                  the Regional Board for that region.

17                  “(B) AMOUNT.—The amount of an admin-  
18                  istrative fee established under subparagraph  
19                  (A) shall be such amount as is necessary for a  
20                  Regional Board to carry out its activities.

21                  “(C) GAO REVIEWS.—The Comptroller  
22                  General of the United States shall conduct re-  
23                  views to assess the amount of an administrative  
24                  fee established under subparagraph (A).

1           “(7) DUTIES.—The Secretary, under the ad-  
2           visement of each Regional Board, shall, with respect  
3           to a region—

4                   “(A) in accordance with the floor price and  
5                   the system of national production base and re-  
6                   gional production base established under section  
7                   143(a)(2)—

8                           “(i) purchase milk from producers  
9                           and sell the milk to milk handlers; and

10                           “(ii) coordinate milk handling logistics  
11                           from dairies to milk handlers, including by  
12                           licensing milk haulers;

13                   “(B) adjust producer pay prices at higher  
14                   rates than the floor price based on—

15                           “(i) regional costs; and

16                           “(ii) milk component ratios (butterfat  
17                           and protein), quality, or other factors; and

18                   “(C) create an exemption and attestation  
19                   requirement for producers that market directly  
20                   to consumers who receive a higher price for  
21                   their milk than such amount as is established  
22                   by the Secretary, under the advisement of the  
23                   National Board.

24           “(e) ELECTION OF NONCONTIGUOUS STATES AND  
25           TERRITORIES TO PARTICIPATE.—

1           “(1) IN GENERAL.—The Governor of a non-  
2 contiguous State or territory of the United States  
3 may elect to participate in the Program by submit-  
4 ting to the Secretary a notification of that election.

5           “(2) REVISION OF ORDER.—On the submission  
6 of a notification by a State or territory under para-  
7 graph (1), the Secretary shall revise the order as ap-  
8 propriate to provide for the participation of the  
9 State or territory in the Program in accordance with  
10 this subtitle.

11           “(3) APPOINTMENT.—On the submission of a  
12 notification by the first State or territory under  
13 paragraph (1), the Secretary, under the advisement  
14 of the applicable Regional Board, shall appoint 2  
15 members to the National Board under subsection  
16 (b)(2)(A) to represent Region 7.

17 **“SEC. 143. OPERATION OF THE PROGRAM.**

18           “(a) ESTABLISHMENT OF PRODUCTION BASES AND  
19 ALLOWABLE MILK MARKETINGS.—

20           “(1) IN GENERAL.—The order shall provide for  
21 the establishment of a national production base, re-  
22 gional production bases, and allowable milk mar-  
23 ketings in accordance with this subsection.

24           “(2) NATIONAL AND REGIONAL PRODUCTION  
25 BASES.—

1           “(A) IN GENERAL.—At least 30 days be-  
2 fore the first day of each calendar year, the  
3 Secretary, under the advisement of the National  
4 Board, shall—

5           “(i) establish the national production  
6 base for that calendar year;

7           “(ii) allocate to each region a regional  
8 production base for that calendar year; and

9           “(iii) notify each Regional Board of  
10 the regional production base allocated to  
11 the applicable region.

12           “(B) FIRST YEAR OF THE PROGRAM.—For  
13 the first year of operation of the Program—

14           “(i) the regional production base for  
15 each region shall be determined by aggre-  
16 gating the allowable milk marketings for  
17 each producer in the region determined  
18 under paragraph (3)(B); and

19           “(ii) the national production base  
20 shall be determined by aggregating each of  
21 the regional production bases determined  
22 under clause (i).

23           “(C) SUBSEQUENT YEARS.—For each year  
24 after the first year of operation of the Program,

1 the Secretary, under the advisement of the Na-  
2 tional Board, shall—

3 “(i) determine whether—

4 “(I) the national production base  
5 for the previous year exceeded the na-  
6 tional demand for milk; or

7 “(II) the national demand for  
8 milk exceeded the national production  
9 base for the previous year; and

10 “(ii) adjust the national production  
11 base and each regional production base—

12 “(I) for the purpose of aligning  
13 milk supply and demand;

14 “(II) for the purpose of ensuring  
15 each producer with allowable milk  
16 marketings receives, at a minimum, a  
17 floor price matching the average cost-  
18 of-production based on the herd size  
19 of their dairy; and

20 “(III) based on any adjustments  
21 to the allowable milk marketings  
22 under paragraph (3)(C).

23 “(3) ALLOWABLE MILK MARKETINGS.—

24 “(A) IN GENERAL.—Of the regional pro-  
25 duction base for a calendar year, the Secretary,

1 under the advisement of the applicable Regional  
2 Board, shall allocate to each producer in the  
3 applicable region a quantity of milk production  
4 that the producer may produce during each  
5 quarter of that calendar year.

6 “(B) FIRST YEAR OF THE PROGRAM.—

7 “(i) PRODUCERS THAT MARKET MILK  
8 3 YEARS PRECEDING THE ENACTMENT OF  
9 THIS SUBTITLE.—In the case of a pro-  
10 ducer that marketed milk during each of  
11 the 3 calendar years preceding the date of  
12 enactment of this subtitle, the allowable  
13 milk marketings for the producer during  
14 the first year of operation of the Program  
15 shall be, at the option of the dairy pro-  
16 ducer—

17 “(I) the average of the milk mar-  
18 ketings for the corresponding quarters  
19 of the previous 3 calendar years; or

20 “(II) the milk marketings for the  
21 corresponding quarter of the calendar  
22 year preceding the date of enactment  
23 of this subtitle.

24 “(ii) OTHER PRODUCERS.—In the  
25 case of a producer that did not market

1 milk during each of the 3 calendar years  
2 preceding the date of enactment of this  
3 subtitle, but that is marketing milk as of  
4 the date of enactment of this subtitle, the  
5 initial establishment of allowable milk mar-  
6 ketings shall be—

7 “(I) established by the Secretary,  
8 under the advisement of the Regional  
9 Board, in an amount determined to be  
10 appropriate; and

11 “(II) subject to review by the Ap-  
12 peals Committee.

13 “(C) SUBSEQUENT YEARS.—

14 “(i) IN GENERAL.—The Secretary,  
15 under the advisement of each Regional  
16 Board, shall adjust the allowable milk mar-  
17 ketings for producers—

18 “(I) for the purpose of aligning  
19 milk supply with demand, including in  
20 the case of an affirmative determina-  
21 tion under paragraph (2)(C)(i); and

22 “(II) in the case of new pro-  
23 ducers that are beginning milk mar-  
24 keting.

25 “(ii) NEW PRODUCERS.—

1                   “(I) WAITLIST.—The Secretary,  
2                   under the advisement of each Re-  
3                   gional Board, shall maintain for each  
4                   region a waitlist of new producers  
5                   that are requesting to market milk in  
6                   the region.

7                   “(II) ELIGIBILITY.—To receive  
8                   an allocation of allowable milk mar-  
9                   ketings, a new producer shall dem-  
10                  onstrate sufficient experience and ex-  
11                  pertise in dairy farming.

12                  “(III) PRIORITY.—In allocating  
13                  allowable milk marketings to pro-  
14                  ducers who are beginning milk mar-  
15                  keting, the Secretary, under the ad-  
16                  visement of each Regional Board,  
17                  shall prioritize producers who have  
18                  not previously commercially marketed  
19                  milk.

20                  “(iii) INCREASES IN PRODUCTION  
21                  BASE.—If the Secretary, under the advise-  
22                  ment of the National Board, increases the  
23                  national production base under paragraph  
24                  (2)(C)(ii), the Secretary, under the advise-  
25                  ment of the applicable Regional Board, in

1 allocating the additional allowable milk  
2 marketings, shall prioritize allocations to  
3 new producers that are beginning milk  
4 marketing.

5 “(iv) DECREASES IN PRODUCTION  
6 BASE.—

7 “(I) IN GENERAL.—If the Sec-  
8 retary, under the advisement of the  
9 National Board, decreases the na-  
10 tional production base under para-  
11 graph (2)(C)(ii), the Secretary, under  
12 the advisement of the applicable Re-  
13 gional Board, shall prioritize reduc-  
14 tions in allowable milk marketings  
15 from producers that possess the most  
16 allowable milk marketings.

17 “(II) LIMITATION.—The Sec-  
18 retary shall not reduce the allowable  
19 milk marketings of a producer by  
20 more than 10 percent for any cal-  
21 endar year.

22 “(D) LIMITATION.—The allowable milk  
23 marketings of a producer shall not be greater  
24 than 1,000 percent of the national average of  
25 the allowable milk marketings for all producers.

1           “(E) APPEAL.—A dairy producer may ap-  
2           peal to the Secretary, under the advisement of  
3           the National Board, the quantity of allowable  
4           milk marketings established for the dairy pro-  
5           ducer.

6           “(F) SHARING OF ALLOWABLE MILK MAR-  
7           KETINGS.—Producers on the same dairy may  
8           share allowable milk marketings allocated to the  
9           producers.

10           “(G) TRANSFERS OF ALLOWABLE MILK  
11           MARKETINGS.—

12           “(i) IN GENERAL.—Subject to sub-  
13           paragraph (H) and clauses (ii) and (iii), a  
14           producer may transfer allowable milk mar-  
15           ketings allocated to the producer to 1 or  
16           more other producers for the purpose of—

17                   “(I) downsizing or increasing the  
18                   size of a dairy; or

19                   “(II) transferring allowable milk  
20                   marketings to 1 or more other pro-  
21                   ducers on the same dairy.

22           “(ii) LIMITATION ON TRANSFER.—If a  
23           producer transfers allowable milk mar-  
24           ketings to one or more other producers  
25           that possess allowable milk marketings, of

1 the allowable milk marketings being trans-  
2 ferred—

3 “(I) the producer shall transfer  
4 not more than 50 percent to the one  
5 or more other producers; and

6 “(II) the Secretary, under the  
7 advisement of the applicable Regional  
8 Board, shall distribute the remainder  
9 to new producers that are beginning  
10 milk marketing.

11 “(iii) LIMITATION ON RECEIPT.—If a  
12 producer transfers allowable milk mar-  
13 ketings to one or more other producers  
14 that possess allowable milk marketings, the  
15 producer receiving the allowable milk mar-  
16 ketings shall not receive more than 50 per-  
17 cent of the allowable milk marketings of  
18 that producer prior to the transfer.

19 “(H) PROHIBITIONS ON MONETIZATION.—

20 “(i) IN GENERAL.—The order shall  
21 include prohibitions on monetizing, leasing,  
22 selling, or trading allowable milk mar-  
23 ketings for financial or material gain.

24 “(ii) PENALTIES.—The order shall in-  
25 clude penalties for violations of the prohibi-

1 tions established under clause (i), which  
2 may include—

3 “(I) permanent reduction of al-  
4 lowable milk marketings;

5 “(II) fines equal to not less than  
6 105 percent of the gain from mone-  
7 tizing, leasing, selling, or trading al-  
8 lowable milk marketings;

9 “(III) increased market access  
10 fees; and

11 “(IV) any other penalties that  
12 the Secretary, under the advisement  
13 of the National Board, determine to  
14 be appropriate.

15 “(I) LEAP-YEAR ADJUSTMENT.—

16 “(i) IN GENERAL.—During a calendar  
17 year that consists of 366 days,  $\frac{1}{90}$  of the  
18 allowable milk marketings for the first  
19 quarter shall be added to the allowable  
20 milk marketings of each producer.

21 “(ii) SUBSEQUENT YEAR.—Following  
22 a year described in clause (i),  $\frac{1}{91}$  of the al-  
23 lowable milk marketings shall be sub-  
24 tracted from the allowable milk marketings

1                   of each producer during the preceding  
2                   year.

3                   “(4) ONLINE DATABASE.—The Secretary,  
4                   under the advisement of the National Board, shall  
5                   establish an online database that—

6                   “(A) allows producers to access informa-  
7                   tion related to allowable milk marketings;

8                   “(B) facilitates the transfer of allowable  
9                   milk marketings in accordance with paragraph  
10                  (3)(G); and

11                  “(C) provides such other information relat-  
12                  ing to the Program as the Secretary, under the  
13                  advisement of the National Board, determines  
14                  to be appropriate.

15                  “(b) COLLECTION OF MARKET ACCESS FEES.—

16                  “(1) IN GENERAL.—The order shall provide  
17                  that the Secretary, under the advisement of each Re-  
18                  gional Board, shall be responsible for establishing  
19                  appropriate market access fees that—

20                  “(A) disincentivize overproduction of milk  
21                  in accordance with this subsection; and

22                  “(B) are in amounts that are greater than  
23                  the income derived by a producer in marketing  
24                  milk in excess of the allowable milk marketings  
25                  of the producer.



1 market access fee described in the notice;  
2 and

3 “(ii) deposit the assessment amounts  
4 into the protected account established by  
5 subsection (d).

6 “(B) ALTERNATIVE MARKET ACCESS  
7 FEE.—If a producer notifies the appropriate  
8 Regional Board under paragraph (2) of an in-  
9 tent to pay the alternative market access fee,  
10 the amount of the assessment described in the  
11 notice under paragraph (3) shall be—

12 “(i) deducted from the revenues of the  
13 producer in 3 equal monthly installments;  
14 and

15 “(ii) deposited into the protected ac-  
16 count established by subsection (d).

17 “(5) RESPONSIBILITY.—The milk handler for  
18 the 1 or more owners of the milk-producing cows at  
19 a dairy that receives a notice under paragraph (3)  
20 shall give notice to the owners that the market ac-  
21 cess fees shall be—

22 “(A) deducted from the proceeds of the  
23 dairy; and

24 “(B) submitted to the appropriate Re-  
25 gional Board.

1       “(c) PAYMENT OF MARKET ACCESS FEE DIVI-  
2       DENDS.—

3               “(1) IN GENERAL.—The order shall provide for  
4       the payment of market access fee dividends in ac-  
5       cordance with this subsection.

6               “(2) RECEIPT OF DIVIDEND.—During any  
7       quarter, a producer that produces and markets a  
8       quantity of milk that is less than or equal to the al-  
9       lowable milk marketings of the producer for that  
10      quarter shall be entitled to receive a market access  
11      fee dividend in an amount based on the ratio that—

12                   “(A) each hundredweight of allowable milk  
13                   marketings produced during that quarter by the  
14                   producer; bears to

15                   “(B) total hundredweights produced by all  
16                   producers that did not exceed the applicable al-  
17                   lowable milk marketings during that quarter.

18               “(3) TOTAL AMOUNT.—The total amount of  
19      market access fee dividends available during a quar-  
20      ter shall be equal to the cumulative market access  
21      fees collected under this subtitle for a quarter.

22               “(4) DISTRIBUTION.—

23                   “(A) IN GENERAL.—The market access fee  
24                   dividends for a quarter shall be distributed to

1 each qualifying producer not later than 30 days  
2 after the last day of the following quarter.

3 “(B) PAYMENT.—Payment of market ac-  
4 cess fee dividends shall be by check or direct  
5 deposit.

6 “(5) ACTIVELY ENGAGED IN FARMING.—

7 “(A) IN GENERAL.—To be eligible to re-  
8 ceive a payment under this subsection, a pro-  
9 ducer shall be actively engaged in farming.

10 “(B) DEFINITIONS.—In this paragraph:

11 “(i) ACTIVELY ENGAGED IN FARM-  
12 ING.—

13 “(I) IN GENERAL.—The term  
14 ‘actively engaged in farming’, with re-  
15 spect to a natural person who is a  
16 shareholder in an authorized legal en-  
17 tity, an officer, a director, or an em-  
18 ployee of an authorized legal entity, a  
19 member or manager of an authorized  
20 legal entity, a partner in an author-  
21 ized legal entity, a beneficiary or  
22 trustee of an authorized legal entity,  
23 or any other individual, means—

24 “(aa) regularly and fre-  
25 quently making or taking an im-

1                   portant part in making manage-  
2                   ment decisions substantially con-  
3                   tributing to or affecting the oper-  
4                   ation of a farm; or

5                   “ (bb) performing physical  
6                   work, which significantly contrib-  
7                   utes to cultivation, stewardship,  
8                   crop or livestock production, or  
9                   food production.

10                  “(II) EXCLUSION.—The term  
11                  ‘actively engaged in farming’ does not  
12                  include solely providing capital.

13                  “(ii) AUTHORIZED LEGAL ENTITY.—  
14                  The term ‘authorized legal entity’ means a  
15                  legal entity that meets each of the fol-  
16                  lowing requirements:

17                  “(I) The legal entity is not a sub-  
18                  sidiary of, or owned in any part by, a  
19                  multilayered subsidiary entity.

20                  “(II) The shareholders, partners,  
21                  members, or beneficial owners of the  
22                  legal entity do not exceed 25.

23                  “(III) The shareholders, part-  
24                  ners, members, or beneficial owners of

1                   the legal entity are all natural persons  
2                   who are actively engaged in farming.

3           “(d) PROTECTED ACCOUNT.—There is established in  
4 the Treasury of the United States a protected account for  
5 the purpose of receiving market access fees under sub-  
6 section (b) and paying dividends under subsection (c).

7           “(e) TRANSITION PERIOD FOR LARGE DAIRIES.—

8                 “(1) IN GENERAL.—During the first 2 years of  
9 operation of the program, a producer that has allow-  
10 able milk marketings that exceed 1,000 percent of  
11 the national average shall not be subject to any mar-  
12 ket access fees or eligible to receive any market ac-  
13 cess fee dividends under this section.

14                 “(2) ESTABLISHMENT OF ALLOWABLE MILK  
15 MARKETINGS.—For each producer described in para-  
16 graph (1), the Secretary, under the advisement of  
17 the National Board, shall establish allowable milk  
18 marketings consistent with this section.

19                 “(3) RESOURCES.—The Secretary may use such  
20 sums as are necessary of the funds of the Com-  
21 modity Credit Corporation to incentivize producers  
22 described in paragraph (1) to reduce milk produc-  
23 tion and the allowable milk marketings to less than  
24 1,000 percent of the national average, including—

1           “(A) buying a portion of the allowable milk  
2 marketings of the producer;

3           “(B) providing an additional premium per  
4 dairy cow sold to producers that have allowable  
5 milk marketings that are less than 1,000 per-  
6 cent of the national average;

7           “(C) assisting the producer in restruc-  
8 turing loans that will assist their dairy oper-  
9 ations in downsizing; and

10           “(D) any other incentive the Secretary,  
11 under the advisement of the National Board,  
12 determines to be appropriate.”.

13       (b) SUSPENSION OF PROGRAMS.—During any period  
14 in which the Dairy Market Stabilization Program estab-  
15 lished under section 142(a) of the Dairy Production Sta-  
16 bilization Act of 1983 (Public Law 98–180; 97 Stat.  
17 1128) is in effect, the following shall apply:

18           (1) DAIRY MARGIN COVERAGE.—Part I of sub-  
19 title D of title I of the Agricultural Act of 2014 (7  
20 U.S.C. 9051 et seq.) shall have no force or effect.

21           (2) DAIRY REVENUE PROTECTION.—The Fed-  
22 eral Crop Insurance Corporation shall not offer the  
23 Dairy Revenue Protection plan of insurance or any  
24 substantially similar policy or plan of insurance

1 under the Federal Crop Insurance Act (7 U.S.C.  
2 1501 et seq.) relating to dairy.

3 (3) AGRICULTURAL ACT OF 1949.—None of the  
4 following provisions of the Agricultural Act of 1949  
5 shall be applicable to milk:

6 (A) Section 101 (7 U.S.C. 1441).

7 (B) Section 103(a) (7 U.S.C. 1444(a)).

8 (C) Section 105 (7 U.S.C. 1444b).

9 (D) Section 107 (7 U.S.C. 1445a).

10 (E) Section 110 (7 U.S.C. 1445e).

11 (F) Section 112 (7 U.S.C. 1445g).

12 (G) Section 115 (7 U.S.C. 1445k).

13 (H) Section 201 (7 U.S.C. 1446).

14 (I) Title III (7 U.S.C. 1447 et seq.).

15 (J) Title IV (7 U.S.C. 1421 et seq.), other  
16 than sections 404, 412, and 416 (7 U.S.C.  
17 1424, 1429, 1431).

18 (K) Title V (7 U.S.C. 1461 et seq.).

19 (L) Title VI (7 U.S.C. 1471 et seq.).

20 **SEC. 4. IMPORT CONTROL REFORMS.**

21 (a) DAIRY IMPORT LICENSE FEES.—The Secretary  
22 shall increase the fee for a license to import dairy articles  
23 subject to tariff-rate quotas to the extent permitted by  
24 trade agreements to which the United States is a party.

1 (b) QUANTITY OF RAW MILK IMPORTS.—Not less  
2 than once each quarter of a calendar year, the Secretary  
3 shall determine and publish the quantity of raw milk in  
4 all dairy products imported into the United States.

5 (c) TARIFF-RATE QUOTAS.—The Secretary shall—

6 (1) subject all dairy products and derivatives to  
7 the tariff-rate quotas set forth in the Harmonized  
8 Tariff Schedule of the United States; and

9 (2) lower quotas on dairy products to the extent  
10 permitted by trade agreements to which the United  
11 States is a party.

12 (d) SENSE OF CONGRESS.—It is the sense of Con-  
13 gress that trade negotiations should seek to establish lower  
14 quotas for imports of dairy products and impose additional  
15 restrictions on imports of more dairy products and dairy  
16 products imported from more countries.

17 **SEC. 5. MARKET CONSOLIDATION REPORTS.**

18 The Secretary shall annually—

19 (1) conduct a review of the economic impacts  
20 on market prices for consumers of dairy products  
21 and farm-gate prices for dairy producers of hori-  
22 zontal integration and vertical integration by cooper-  
23 ative and noncooperative entities; and

24 (2) make publicly available a report describing  
25 the review under paragraph (1).

1 **SEC. 6. REGIONAL DAIRY INFRASTRUCTURE REFORMS.**

2 (a) TRAINING PROGRAMS.—

3 (1) EDUCATION PROGRAMS FOR SMALL-SCALE  
4 DAIRY.—The Secretary shall establish a grant pro-  
5 gram to create or support training programs relating  
6 to small-scale dairy at land-grant colleges and uni-  
7 versities (as defined in section 1404 of the National  
8 Agricultural Research, Extension, and Teaching Pol-  
9 icy Act of 1977 (7 U.S.C. 3103)).

10 (2) ASSISTANCE FOR FARMWORKERS  
11 TRANSITIONING TO OWNERSHIP.—The Secretary  
12 shall establish a program to provide grants, loans,  
13 and technical assistance to dairy farmworkers  
14 transitioning to dairy farm ownership.

15 (3) APPRENTICESHIP PROGRAM.—

16 (A) IN GENERAL.—The Secretary shall es-  
17 tablish an apprenticeship program relating to  
18 dairy production.

19 (B) REGIONAL ADMINISTRATION.—The  
20 Secretary shall carry out the program estab-  
21 lished under subparagraph (A) in coordination  
22 with Regional Boards (as defined in section 141  
23 of the Dairy Production Stabilization Act of  
24 1983 (Public Law 98–180; 97 Stat. 1128)).

25 (4) AUTHORIZATION OF APPROPRIATIONS.—  
26 There is authorized to be appropriated to the Sec-

1       retary to carry out this subsection \$50,000,000 for  
2       each of fiscal years 2027 through 2031.

3       (b) DAIRY BUSINESS INNOVATION INITIATIVES.—  
4 Section 12513 of the Agriculture Improvement Act of  
5 2018 (7 U.S.C. 1632d) is amended—

6           (1) in subsection (g), by adding at the end the  
7       following:

8           “(6) AVAILABILITY TO STATES AND TERRI-  
9       TORIES.—The Secretary shall ensure that activities  
10       under the program under this section are available  
11       in—

12           “(A) each of the 50 States;

13           “(B) American Samoa;

14           “(C) Puerto Rico;

15           “(D) the Northern Mariana Islands;

16           “(E) the United States Virgin Islands; and

17           “(F) Guam.”; and

18           (2) in subsection (i), by striking “\$20,000,000”  
19       and inserting “\$50,000,000”.

20       (c) COST-SHARE GRANTS FOR SMALL-SCALE DAIRY  
21       INFRASTRUCTURE.—

22           (1) INFRASTRUCTURE INVESTMENT FUNDING  
23       PROGRAM.—Not later than 180 days after the date  
24       of enactment of this Act, the Secretary shall estab-  
25       lish a program to provide funding for investments in

1 infrastructure to enhance regional milkshed markets  
2 that seek to drive a greater affinity for regionally  
3 sourced and processed dairy products by  
4 incentivizing support for—

5 (A) the development of new dairy proc-  
6 essing plants that support multiple regional  
7 small dairy operations (as determined based on  
8 the small business size standard for the applica-  
9 ble North American Industry Classification Sys-  
10 tem code described in section 121.201 of title  
11 13, Code of Federal Regulations (or a successor  
12 regulation));

13 (B) initiatives that establish institutional  
14 purchasing of local dairy products;

15 (C) investment in infrastructure on farms  
16 and in sites that aggregate raw milk to gain  
17 transport and processing efficiencies;

18 (D) the establishment of on-farm dairy  
19 processing and storage;

20 (E) producers and processors that want to  
21 expand regional processing infrastructure serv-  
22 ing regionally produced milk from multiple re-  
23 gional small dairy operations (as determined  
24 based on the small business size standard for  
25 the applicable North American Industry Classi-

1           fication System code described in section  
2           121.201 of title 13, Code of Federal Regula-  
3           tions (or a successor regulation)), including  
4           by—

5                   (i) supporting work to finalize busi-  
6                   ness plans; and

7                   (ii) providing processor start-up cap-  
8                   ital; and

9           (F) initiatives that support increasing re-  
10          gional processing capacity to facilitate co-pack-  
11          ing and tolling for regionally produced milk  
12          from multiple regional small dairy operations  
13          (as determined based on the small business size  
14          standard for the applicable North American In-  
15          dustry Classification System code described in  
16          section 121.201 of title 13, Code of Federal  
17          Regulations (or a successor regulation)).

18          (2) AUTHORIZATION OF APPROPRIATIONS.—

19          There is authorized to be appropriated to the Sec-  
20          retary to carry out this subsection \$50,000,000 for  
21          each of fiscal years 2027 through 2031.

22          (d) LAMP INVESTMENTS.—Section 210A of the Ag-  
23          ricultural Marketing Act of 1946 (7 U.S.C. 1627e) is  
24          amended—

25                  (1) in subsection (c)—

1 (A) in paragraph (3), by striking “and” at  
2 the end;

3 (B) in paragraph (4), by striking the pe-  
4 riod at the end and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(5) ensure that the Program is carried out  
7 in—

8 “(A) each State (as defined in section  
9 207);

10 “(B) American Samoa;

11 “(C) Puerto Rico; and

12 “(D) the Northern Mariana Islands.”; and  
13 (2) in subsection (i)—

14 (A) in paragraph (1), by striking  
15 “\$50,000,000 for fiscal year 2019” and insert-  
16 ing “\$200,000,000 for fiscal year 2027”; and

17 (B) in paragraph (2), by striking  
18 “\$20,000,000 for fiscal year 2019” and insert-  
19 ing “\$75,000,000 for fiscal year 2027”.

20 (e) AVAILABILITY TO STATES AND TERRITORIES.—

21 The Secretary shall carry out each program established  
22 under subsections (a) and (c) in—

23 (1) each of the 50 States;

24 (2) American Samoa;

25 (3) Puerto Rico;

- 1 (4) the Northern Mariana Islands;
- 2 (5) the United States Virgin Islands; and
- 3 (6) Guam.