NAJ supports the mission and principles of the Agricultural Workforce Coalition in the belief that legislation that meets the needs of all of agriculture, including farms with current workers in need of legal work status and farms with year-round and seasonal workers, offers the best opportunity to enact legislation to address the deepening farm labor crisis.

AWC AGRICULTURE WORKFORCE COALITION

Principles for Agricultural Labor Reform

Mission Statement: The Agriculture Workforce Coalition (AWC) brings together organizations representing the diverse needs of agricultural employers across the country. AWC serves as the unified voice of agriculture in the effort to ensure that America's farmers, ranchers and growers have access to a stable and secure workforce now and in the future.

The agricultural industry has united to present a legislative framework that provides actionable solutions for agriculture's labor needs. Any legislation must include assurance of a future workforce both from a flexible and efficient visa program and by retention of current workers. A legislative solution must address:

Respect for and recognition of the importance of our current experienced workforce to the sustainability of US based agricultural production and food security by providing:

- a mechanism for qualifying farmworkers to continue working in agriculture and/or reside in the United States based on agricultural work experience and commitment;
- a mechanism to earn legal status to work and/or reside in the United States based on agricultural work experience and commitment; and
- a mechanism to protect immediate family members.

Recognition of the critical need for access to a current and future workforce for the sustainability of US based agricultural production and food security by providing a flexible and efficient agricultural worker visa program that includes:

- availability to all agricultural producers without regard to the temporary, seasonal or year-round nature of the job;
- a fair and predictable market-based approach to wages and benefits that does not unduly impede US competitiveness;
- flexibility in the length of visas to address the needs of different agriculture sectors;
- mobility; and
- ability to meet any future industry production expansion labor needs with no arbitrary limits.

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The New Farm Bill

For the first time, dairy farmers will be able to use economic safety net programs in the Farm Bill and USDA's Risk Management Agency at the same time.

Dairy farmers like me are now in year five of very challenging operating margins. Oversight by Congress is needed to help get the new dairy safety net implemented quickly and effectively.

The Dairy Margin Coverage (DMC) program in the Farm Bill allows dairy farmers to purchase coverage on the margin between feed cost and milk price. The DMC is similar to the Margin Protection Program for Dairy (MPP-Dairy) in the last farm bill but is expected to be much more effective in helping farmers get through difficult economic times.

The DMC offers farmers the chance to insure a margin of up to $9.50 on up to 5 million pounds of production history, the annual amount of milk from about 225 cows, at a cost of 15-cents/cwt.

Farmers can use a second premium schedule to buy margin coverage on volumes over 5 million pounds. Farmers with smaller herds are eligible for even lower premiums.

The new Farm Bill offers farmers the chance to get 75% of premiums paid in the old program applied to DMC premiums. Farmers who prefer to receive a check are eligible for a 50% refund of premiums paid under MPP-Dairy. Farmers who commit to one coverage level for the life of the Farm Bill qualify for a 25% premium reduction in the new DMC.

Dairy farmers also have the opportunity to use the Livestock Gross Margin for Dairy (LGM-Dairy) and the Dairy Revenue Protection (Dairy-RP) to help manage economic risk. Both programs come with assistance to cover the cost of premiums similar to Federal Crop Insurance. The Farm Bill allows farmers to use all three risk management programs at the same time.

The bill also includes a new milk donation program to assist with milk donations to food banks and incentives in nutrition assistance programs for participants to purchase dairy products.

Other titles of the Farm Bill provide important assistance to dairy farmers like me:

- The Conservation Title includes the Environmental Quality Incentives Program to help farmers comply with environmental regulations.

- The Trade Title offers funds to the dairy industry to help develop exports through the Foreign Market Development (FMD) program.

- The Rural Development Title offers assistance to farmers planning to install renewable energy systems.

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International Trade

U.S. dairy exports have grown over the past decade to the point where about 15% of our milk, roughly the milk production of one day each week, is marketed internationally.

The U.S.-Mexico-Canada Agreement (USMCA) is a step in the right direction on dairy trade in North America.

Mexico is the top foreign market for U.S. dairy products buying nearly 25% of the total that we export. Dairy farmers in the U.S., like me, have worked with the industry in Mexico to develop that market for high quality dairy products. Mexico does not produce enough milk domestically to supply that growing market so it that has benefited dairy farmers in both countries.

The retaliatory tariffs Mexico has applied to U.S. dairy products including cheese have slowed our sales into that market. The tariffs have made EU and New Zealand dairy products more competitive with U.S. in the market we are geographically positioned to supply most efficiently.

Removal of the retaliatory tariffs on U.S. dairy products applied by Mexico is a top priority for the U.S. dairy industry. Mexico has said it does not intend to remove their tariffs on U.S. cheese until the U.S. removes its tariffs on steel and aluminum from that country. Ratification of the USMCA is key to removing tariffs and counter tariffs applied by both countries.

Gains for the U.S. dairy industry in Canada in the USMCA are more modest but the overall agreement is seen as necessary for us to get back to growing the market in Mexico as we have so successfully done over the past decade.

Canada agreed to new access for U.S. products up to 3.6% of the domestic dairy market there. Given the population in Canada that likely amounts to less than 1% of U.S. milk production.

Canada also agreed to change its Class 6 and 7 dairy protein pricing structure. Recent increases in Canada's dairy protein production far outpaced demand there so Canada developed the new pricing structure to allow the excess to be dumped on the world market. That has depressed farm milk prices not only in the U.S. but in the EU and New Zealand while Canada's domestic quotas and import duties protect farmers there.

China's counter tariffs U.S. agricultural products, including cheese, imposed in response to our tariffs on their steel and aluminum coming into this market have also reduced our ability to sell there. The trade dispute with China needs to be resolved as quickly as possible in order to avoid the planned increase in tariffs by both countries from the current 10% to 25% if a new agreement isn't reached by March 1st.