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Opinion

Our View

Margin Protection Program worth fixing

As a concept, the dairy Margin Protection Program in the 2014 Farm Bill makes ample sense. As originally designed, it would assure that dairy farmers maintain some level of positive cash flow if milk prices drop, feed prices skyrocket, or both.

The need for such a program is clear. The National Agricultural Statistics Service All-Milk price dropped from $21.70 in December 2008 to $11.45 in May 2009. At the same time corn and other feed prices were higher than their long-term average. This pushed most dairy operations far into the red.

To survive, farmers borrowed against the farm. Sometimes, that was enough. Other times, it led to many farmers selling out or going out of business. As a result, from 2007 to 2012, the number of U.S. dairy farms dropped nearly 27 percent, from 67,866 to 49,628.

To stanch the flow of red ink, the National Milk Producers Federation set to developing a way to protect dairy farmers from catastrophic milk and feed price swings. The group talked with farmers, economists and others to come up with a program that would do just that.

Then the House and Senate agriculture committees took the program and turned it into something that wouldn't work. By the time Congress and the Congressional Budget Office got done with it, MPP became one of the few federal enterprises that actually makes money — at the expense of dairy farmers. In 2015, 25,162 dairy farms paid $72.9 million into MPP and received $730,000 in benefits. In 2016, they began to abandon the ill-designed program but still paid in $22.8 million and got payouts of $11.5 million.

All while milk prices were plummeting.

Clearly, MPP doesn't do what it was designed to. It doesn't prevent dairy farmers from taking a huge hit when prices swing.

Congress is now getting ready to write another farm bill. We're not sure what form that legislation will take, but with a few minor changes MPP can be changed from a loser to a winner for dairy operators.

First, instead of using the national average price of milk, it needs to use to actual price paid to individual farmers for their milk.

Second, it needs to be based on the actual feed prices farmers pay.

This will require more than someone in Washington, D.C., punching a few numbers into a spreadsheet to determine how little to pay farmers, but it will also prevent farmers from being sold a bill of goods by another government program that doesn't accomplish its purpose.

Congress shouldn't throw out MPP. It should just listen to NMPF and dairy farmers this time and fix a program that's needed.

Dairy MPP premiums vs. payouts

The USDA MPP has taken in nearly 8 times more money over the last two years than it paid out, a difference of more than $83 million.

Premiums and payouts by year/coverage level

Actual and **estimated premiums paid** and program payouts made by coverage level, based on USDA's July 2016 projected margin.

2015 Coverage	Participating farms	Premiums/fees ($ millions)	Payouts ($ millions)
$8.00	264	$3.37	$0.73
7.50	1,430	7.74	0
7.00	501	1.47	0
6.50	6,397	24.01	0
6.00	3,850	31.28	0
5.50	506	1.73	0
5.00	743	2.1	0
4.50	136	0.07	0
4.00	10,939	1.1	0
Total	**25,162**	**$72.87**	**$0.73**

2016 Coverage	Participating farms	Premiums/fees ($ millions)	Payouts* ($ millions)
$8.00	138	$1.01	$1
7.50	225	1.18	1.28
7.00	158	0.55	0.47
6.50	2,184	6.2	5.48
6.00	1,877	10.19	3.21
5.50	342	0.54	0
5.00	463	1.19	0
4.50	405	0.43	0
4.00	18,801	1.88	0
Total	**24,292**	**$22.79**	**$11.46**

*Estimate

Source: American Farm Bureau Federation — Capital Press graphic

Our View

Perdue is welcome, but late to the party

Sonny Perdue has been confirmed by the Senate as secretary of agriculture.

It's long past time. President Trump has not moved quickly enough on key appointments involved in timely issues important to farmers and ranchers.

The former Georgia governor was the last cabinet officer nominated by Trump, and didn't receive a hearing before the Senate ag committee until March 23.

"I think the president saved the best for last," Perdue quipped to senators during the hearing. The affable Perdue received the appropriate chuckle from the panel and gallery, but it was already apparent that the nominee was woefully late to the party.

Not only was he last invited to the cabinet table, Perdue had not been consulted on the Trump budget proposal, released that morning, that called for a 21 percent cut in the USDA's budget. Adding insult to injury, some programs favored by Perdue — organics and the farm-to-school programs, for example — received short shrift from the White House.

This was not the administration's finest hour in the minds of many in the ag community.

Perdue has a big stack on his desk, and he won't have a lot of help right away to move things along. None of the eight sub-cabinet positions — the deputy and under secretaries who manage various agencies within the department — have been appointed, let alone vetted. Those first few staff meetings are going to be lonely.

Also vacant are state-level executive director appointees who run the Farm Service Agency and Rural Development.

During his confirmation hearings, Perdue said he would like Congress to establish a separate sub-cabinet position within the USDA to deal with trade issues. That's an idea former Secretary Tom Vilsack had kicked around during his tenure but never put forward.

Sounds like a good idea. There's no overstating how important trade is to American farmers, particularly to producers here in the Pacific Northwest.

But here again Trump's actions have given producers pause.

During the campaign both Trump and Secretary Clinton spoke out against the proposed Trans-Pacific Partnership. The president quickly took the United States out of the pact upon taking office, favoring instead stronger two-way deals with Pacific trading partners. He has also signaled a desire to renegotiate the North American Free Trade Agreement with Canada and Mexico.

It's too early to tell if any of this will be good or bad for agriculture. It's all stymied because Robert Lighthizer, Trump's nominee to be U.S. Trade Representative — our country's chief trade negotiator — has been approved by the Senate Finance Committee but has not yet been scheduled for confirmation by the full Senate.

We would like to see the president move more quickly on issues vital to U.S. agriculture. Filling the vacancies at the USDA and making more progress on trade would be good first steps.

Pablo Martinez Monsivais/Associated Press File

Agriculture Secretary Sonny Perdue has much to do to catch up after taking office this week.

A GOP promise to rural families

By ANDY BENTZ
For the Capital Press

Guest comment
Andy Bentz

When Donald Trump ran the table on Hillary Clinton in middle America, many coastal pundits were caught flatfooted. They never saw it coming. But those of us in the vast areas of Oregon dominated by rural communities, ranches, farms and forestry operations understand exactly how the GOP carved out a new majority.

President Trump spoke unapologetically to rural voters about his support for agriculture, promising to roll back needless regulatory limits on productivity, while strengthening America's commitment to programs like the Renewable Fuel Standard (RFS), which allows U.S. farmers to compete against foreign oil producers. It's a bipartisan program that has worked for over 11 years to create a stable market for biofuels, and it will only grow in importance to Oregon as new innovations allow us to create more and more homegrown energy from existing biomass, including wood scraps from lumber operations.

The RFS ensures that oil companies can't lock rural biofuel producers out of the market, giving consumers more affordable options at the pump. It's a perfect example of a policy that works for American energy security, for our environment and for rural communities struggling with economic stagnation. Some 97 percent of U.S. fuel is now blended with some amount of homegrown ethanol, holding down prices and protecting against manipulation by hostile oil exporters, like Venezuela and Russia.

Biofuels also replace some of the most toxic additives in gasoline, like methyl tertiary-butyl ether (MTBE). MTBE was a gasoline additive notorious for contaminating groundwater supplies until ethanol offered a cleaner, more affordable way to increase octane for better performance.

Moreover, the U.S. Department of Agriculture reports that carbon emissions are slashed by 43 percent when biofuels displace petroleum-based fuel — a number that continues to rise as farmers learn to grow more crops on less land year after year.

Thanks to these innovations under the RFS, biofuel production now supports nearly 16,000 Oregon jobs, including those at one of the West Coast's premier biorefineries in Morrow County.

These facilities not only deliver homegrown energy, they generate a steady stream of high-protein, low-cost feedstock for ranchers because only the starch portion of grain is fermented for fuel production.

No matter how you look at it, the RFS is a clear winner, and it remains one of the few untarnished pillars of economic growth in rural communities at a time when U.S. farm incomes are expected to fall for a fourth straight year due to a global crop surplus.

These rural families are struggling, and policymakers — Republican or Democrat — who fail to recognize the importance of supporting America's agricultural economy can expect the same response from voters that shocked pundits in 2016. It's not about partisan politics; it's about delivering on a promise to protect homegrown fuels and revitalize rural growth, as President Trump vowed to do.

Senior leaders in Congress, like our own Congressman Greg Walden, who chairs the House committee responsible for domestic energy, should keep these families in mind as lawmakers look to craft the next farm bill and oil companies ramp up efforts to dismantle the RFS. Democrats learned their lesson in 2016, and they are reaching out to rural voters. The success of those efforts will depend largely on how well GOP leaders stay on track to restore growth outside of city limits.

Andy Bentz is the managing member of Bentz Solutions LLC, a consulting group based in Ontario, Ore. Bentz Solutions works with natural resource industries in governmental and public relations in the Western U.S. He is part of the third generation of a ranching family in Southeast Oregon and retired as the sheriff of Malheur County in 2011.

Readers' views

Not a Monsanto fan

"Monsanto's vegetable seed lab makes end user its first priority." What a crock. Monsanto only wants end users to like the taste. And in the article one would be led to believe that they do not do GMO — another crock.

Their lawsuits over little farmers, and their interest in glyphosate are not adequately covered in your articles, and you would leave me the dumb farmer thinking everything is honkey dory.

Not so. Monsanto is a PIG of cultural agriculture, and should be stopped from planting anything in the state of California. Why is it that fruits and vegetables I buy at the store with the Monsanto brand do not have seeds that sprout when I replant the vegetative seeds from produce from Monsanto?

It is because of genetic engineering. These guys are not our friends, and I do not care what it tastes like, if it comes from Monsanto, it is going into the compost pit.

Randy Burke
Gualala, Calif.