

**Dairy Deal Helps State Farmers**  
(Milwaukee Journal Sentinel)  
By KATHERINE M. SKIBA

Washington - Wisconsin's congressional delegation applauded Friday's deal on the farm bill, which they say benefits the state's dairy farmers.

The agreement by House and Senate negotiators, which includes a national program to pay farmers when milk prices sink, awaits approval from both chambers.

It means a major - if temporary - truce after years of regional dairy wars.

One estimate by the Midwest Dairy Coalition indicated Wisconsin farmers with herds of 130 to 140 cows would get as much as \$20,400 annually. Because the typical state operation is half that size, most would see checks totaling \$10,200 a year.

Steven D. Etko cautioned that these were rough calculations using projections of future milk prices. He is legislative coordinator for the coalition, which looks out for dairy concerns in eight heartland states.

He heralded the program, which reportedly will last three years and nine months. "Not only will the program improve the income safety net for all dairy producers, but it means long-overdue peace between the dairy regions of the country. A 100-cow dairy farm will receive the same benefits from this program whether they're in Wisconsin or Vermont or California - and that's progress."

Dave Obey, a House Democrat from Wausau, said the bill appeared to provide "at least a modest improvement in the dairy safety net with modest payments to farmers." A worry: a lack of provisions to manage the supply of milk, potentially resulting in overproduction.

Obey aide Paul Carver added that a so-called regional dairy compact of six New England states - a setup that expired last fall - has had "more lives than a barnyard cat . . . so we remain on alert."

Critics said the compact, with its own floor price for milk, was a cartel that hurt consumers and spurred overproduction, resulting in depressed prices elsewhere.

Other views on the dairy accord:

Sen. Herb Kohl

"It's a deal that, at long last, makes meaningful progress toward establishing a fair and competitive marketplace for the upper Midwest."

Sen. Russ Feingold

"The farm bill is finally moving away from divisive regional dairy policies towards one national dairy safety net."

Rep. Mark Green of Green Bay

" . . . a real breakthrough on dairy. No legislation is ever perfect, but when the final agreement is announced, folks will be able to see that we've scored victories for both fairness and Midwestern dairy farmers."

Kohl, Feingold and Obey are Democrats; Green is a Republican.

The subsidy would be triggered when the price of Class 1 milk - the beverage - in Boston fell below \$16.94 per hundred pounds. Farmers would get 45% of the difference between \$16.94 and the lower market price.

Subsidies would be capped at 2.4 million pounds of milk a year, which Etko gauged as the output of 140 cows in Wisconsin.

Iowa's Tom Harkin, a Democrat and the Senate's lead negotiator on the bill, called it a compromise that would target for help the smaller farms such as those in Iowa, Minnesota and Wisconsin.

He was asked about quick calls by some New England lawmakers on Friday for a new dairy compact once the new dairy provisions expire at the end of September 2005. Harkin answered by recalling a "dairy war" 21 years ago and one 50 years before that, acknowledging, "We have not found the Holy Grail of dairy yet."

The cost of the dairy program is estimated at \$1.3 billion. Asked if the package was good for dairy farmers and bad for U.S. taxpayers, Harkin said no. His view? "We still have the most abundant and safest food supply in the world at the cheapest cost."

At the Wisconsin Farm Bureau Federation, Tom Thieding, executive director for communications, said: "Finally, we've got a farm bill without any regional dairy policy messing things up - messing up the market, messing up the politics. That's a first."