

# A HISTORICAL LOOK AT THE EFFECTS OF FEDERAL DAIRY PROGRAMS ON THE DAIRY INDUSTRY



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by

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## Executive Summary

The U.S. dairy industry has experienced significant change over the past several decades. Many different reasons played essential roles in the shift, including economies of scale, trade agreements, and federal dairy policy. These forces and others will continue to influence the direction of the industry in the future.

This report looks back at many of these important factors and will attempt to provide insight into how these factors will affect the industry looking ahead. This is, of course, a challenging time to take that look forward as the world recovers from the COVID-19 pandemic. The federal government has provided some of the largest support in history as the U.S. dairy industry reeled in the wake of the country entering shut down in late March 2020.

This report provides these summary points as future dairy policy is discussed. These discussion points are:

- 1) **The supply side of the dairy industry continues to evolve and change over time.** This changing structure must be recognized and addressed in changes in dairy policy. An economist's view is that the industry is becoming less responsive to changing economic signals, especially in the short run, than occurred historically.
- 2) **Demand for dairy products has shifted from what once was focused on fluid milk use to focus more on domestic cheese demand and international markets.** This demand difference is important to discuss in the context of new dairy policy.
- 3) **Building a domestic dairy policy that addresses all of the issues that unfolded with the pandemic is impossible.** The effects of COVID-19 happened so quickly and were so disruptive that finding the perfect policy offset is difficult. This is especially true in the relatively short time that policies were adopted to help offset the pandemic. It often takes years to change federal dairy policy, yet the pandemic was amazingly addressed in a matter of weeks.
- 4) It will remain politically difficult to not have some type of **payment limits** associated with **direct payment types of programs**. These would be payment programs such as CFAP1 and CFAP2 or even the DMC program which imposes a production history cap on the lower premiums under the program.
- 5) **Federal budget pressures** could return and limit the amount of funding available for dairy policy.
- 6) **Federal dairy policy will need to continue to evolve.** Moving from the price support programs of the 1980s and 1990s to the direct payment programs of the 2000s and 2010s took significant amounts of time to accomplish.
- 7) Federal dairy policy will continue to grapple with an **adequate safety net without incentivizing too much milk production** relative to market demand.
- 8) As future federal policy is developed to address the dairy industry's needs, there will need to be focus on potential **unintended consequences** of new policies. Recent issues that resulted from the Food Box program providing more support for cheese than any other dairy product provides just one example of unintended consequences.



# A historical look at the effects of federal dairy programs on the dairy industry

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## *Introduction*

The U.S. dairy industry has experienced significant change over the past several decades. Many different reasons played essential roles in the shift, including economies of scale, trade agreements, and federal dairy policy. These forces and others will continue to influence the direction of the industry in the future.

This report looks back at many of these important factors and will attempt to provide insight into how these factors will affect the industry looking ahead. This is, of course, a challenging time to take that look forward as the world recovers from the COVID-19 pandemic. The federal government has provided some of the largest support in history as the U.S. dairy industry reeled in the wake of the country entering shut down in late March 2020.

The U.S. dairy industry has much to take away from the industry and policy changes over the past several decades. The look back at how the industry has evolved can provide a base from which the industry can look forward. This work is meant to give an unbiased view, but that can be difficult as many of the industry's issues have been divisive with industry participants on different sides of any specific issue.

## *Economic drivers are important to the path of the dairy industry*

Federal dairy policy can affect the path of dairy industry growth, but economics determines the endpoint in the long run. Economies of scale have been critical to the evolution of the industry. The definition of economies of scale states that as an operation grows larger, its per-unit costs of production decline. That can occur from spreading fixed costs over more units of production or cheaper inputs that arise from increased bargaining power. The dairy industry has seen every segment from producers to distributors have fewer but larger participants as they have taken advantage of scale economies.

As operations in every segment of the dairy value chain take advantage of scale economies, the industry ends up growing more concentrated. This concentration has led to particular areas of the country increasing output more quickly. Concentration can lead to questions about adequate price discovery and non-competitive pricing behavior. This will be an issue the industry will face for years to come.

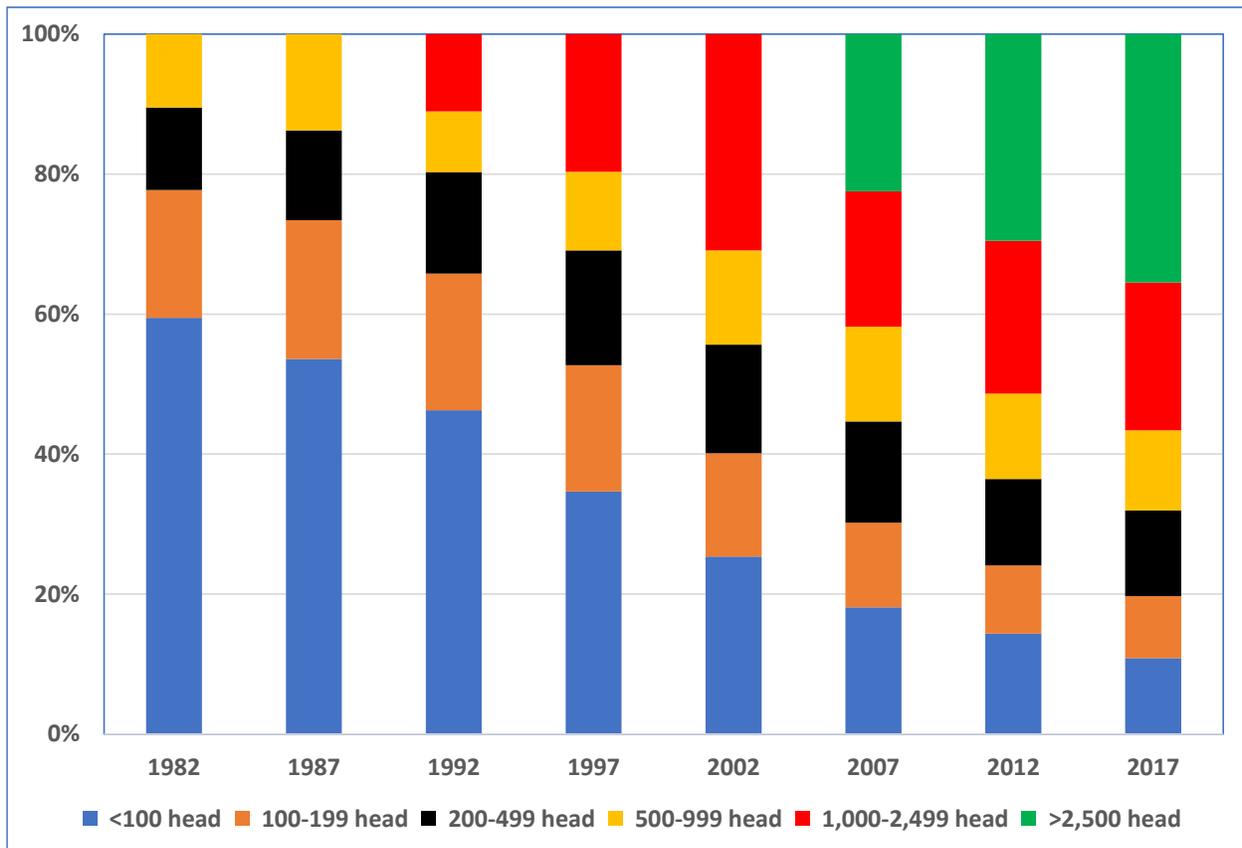
It is important to lay this foundation that economics and economies of scale have been primarily responsible for the industry's evolution before discussing the effects of policy. Economies of scale and policy do coexist in the industry, but the former has played the largest role in where the industry is today and how it will move forward.

*Changing landscape of milk supplies*

The evolution of the supply of milk in the U.S. over the past two decades has been telling. The average operation size has grown everywhere across the country. Yet, some areas of the country have seen larger operations grow at a faster pace.

Figure One provides a look at the percentage of milk production by size of operation. The 1982 USDA Census of Agriculture data showed that 60 percent of U.S. milk sales occurred by operations with less than 100 dairy cows, and only about 10 percent of milk sales came from operations with 500 or more dairy cows.

*Figure 1. Percent of Milk Sales by Herd Size*



By the 2017 USDA Census of Agriculture, the two categories have essentially flipped. About 65 percent of milk sales come from operations with 500 or more dairy cows, and about 10 percent of milk sales come from operations with 100 or fewer dairy cows. The 2017 USDA Census of Agriculture shows that nearly 40 percent of milk supplies come from operations with more than 2,500 dairy cows.

Figure One shows that much of that change occurred in the 1990s and early 2000s. This is a marked change over the past four decades in the origin of milk sales, and this change has important implications for the industry's structure.

The responsiveness of aggregate U.S. milk supply should be considered as the industry structure has changed dramatically. Back in the 1982 census, there were nearly 278,000 dairy operations. By the 2017 census, the number of dairy operations had declined to almost 55,000.

Aggregate milk supply response is worth further discussion. The fewer in number but larger in size operations that exist today likely make changes in supply less responsive to economic changes as the larger operations have a much more significant capital investment in the dairy operation and few if any other enterprises as alternatives to producing milk. This change has important implications for the impact and cost of policy alternatives.

Figure Two shows the relationship between the percentage of operations with more than 500 head of inventory relative to the change in cow inventory over the 2000 to 2020 period. The regions used are similar to the regional aggregations provided by USDA, except that the 15 smallest dairy states are moved into their own aggregation. Specifically, the regional definitions are:

Northeast (NE) – CT, ME, MD, NY, PA, VT;

Lake States (LS) – MI, MN, WI;

Corn Belt (CB) – IL, IN, IA, MO, OH;

Northern Plains (NP) – KS, NE, ND, SD;

Appalachian (AP) – KY, NC, TN, VA;

Southeast (SE) – FL, GA;

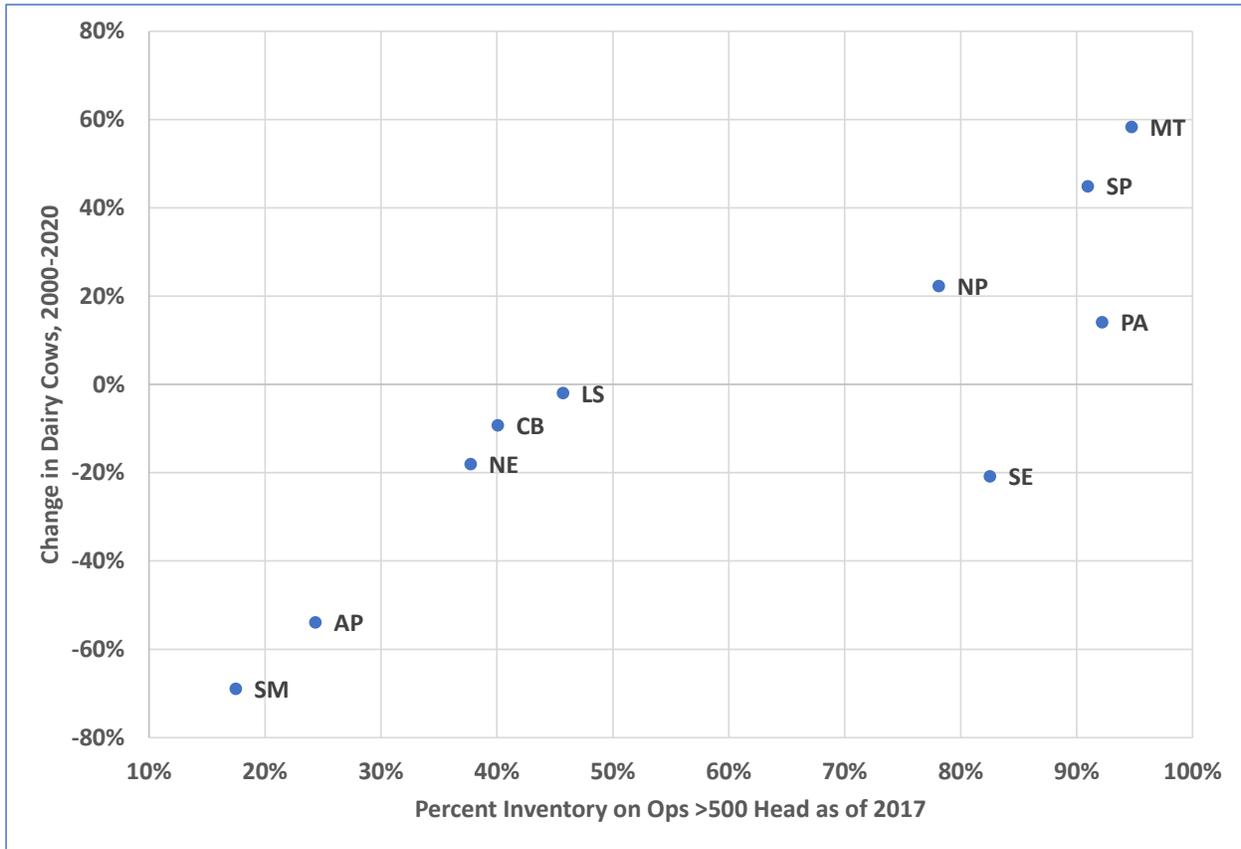
Southern Plains (SP) – OK, TX;

Mountain (MT) – AZ, CO, ID, NV, NM, UT;

Pacific (PA) – CA, OR, WA; and

Smaller herd-size States (SM) – AL, AR, DE, LA, MA, MS, MT, NH, NJ, RI, SC, WV, WY.

Figure 2: Change in Dairy Cows Relative to Herd Size, 2000 to 2020



The smaller herd-size states (SM) experienced a 69 percent reduction in dairy inventory over the 2000 to 2020 period, with only less than 18 percent of the dairy inventory on operations with 500 or more dairy cows. That is in contrast to the mountain region, MT, which experienced a nearly 60 percent increase in dairy cow inventory over the 2000 to 2020 period with 95 percent of dairy cows on operations with more than 500 head. The other regions fall in a close relationship between these two endpoints. The larger the percentage of cows on 500-plus operations, the smaller decline or larger increase in total dairy cow numbers over the period. The graph shows that regions with less than half of the dairy cows on 500 or more dairy cow operations had a contraction in inventory over the 2000 to 2020 period while those with more than 50 percent of the dairy inventory on operations with more than 500 head tended to increase cow numbers. The Southeast Region is the only region that shows a decline in dairy cows over the period despite having more than 50 percent of the inventory on operations with more than 500 head.

Figure 3: Change in Dairy Cows, 2000 to 2020, Selected States

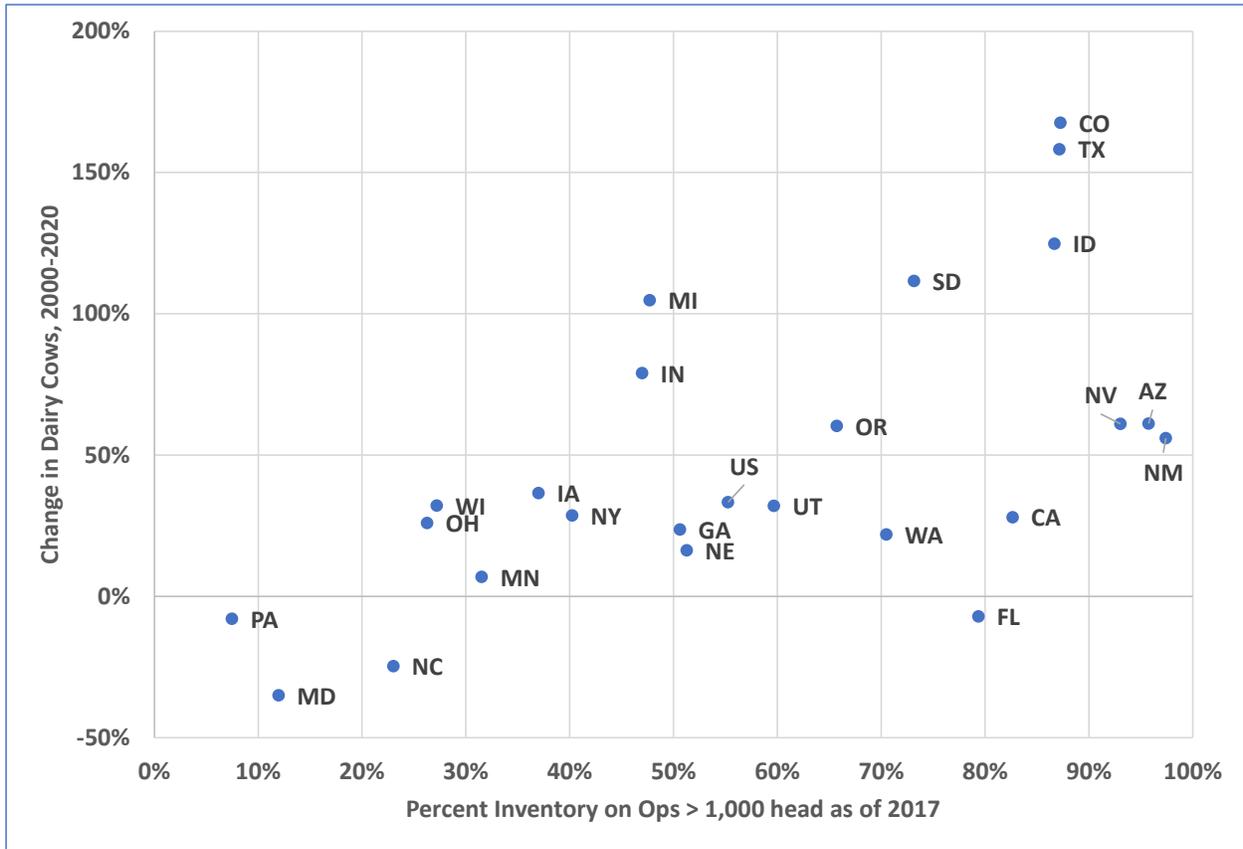


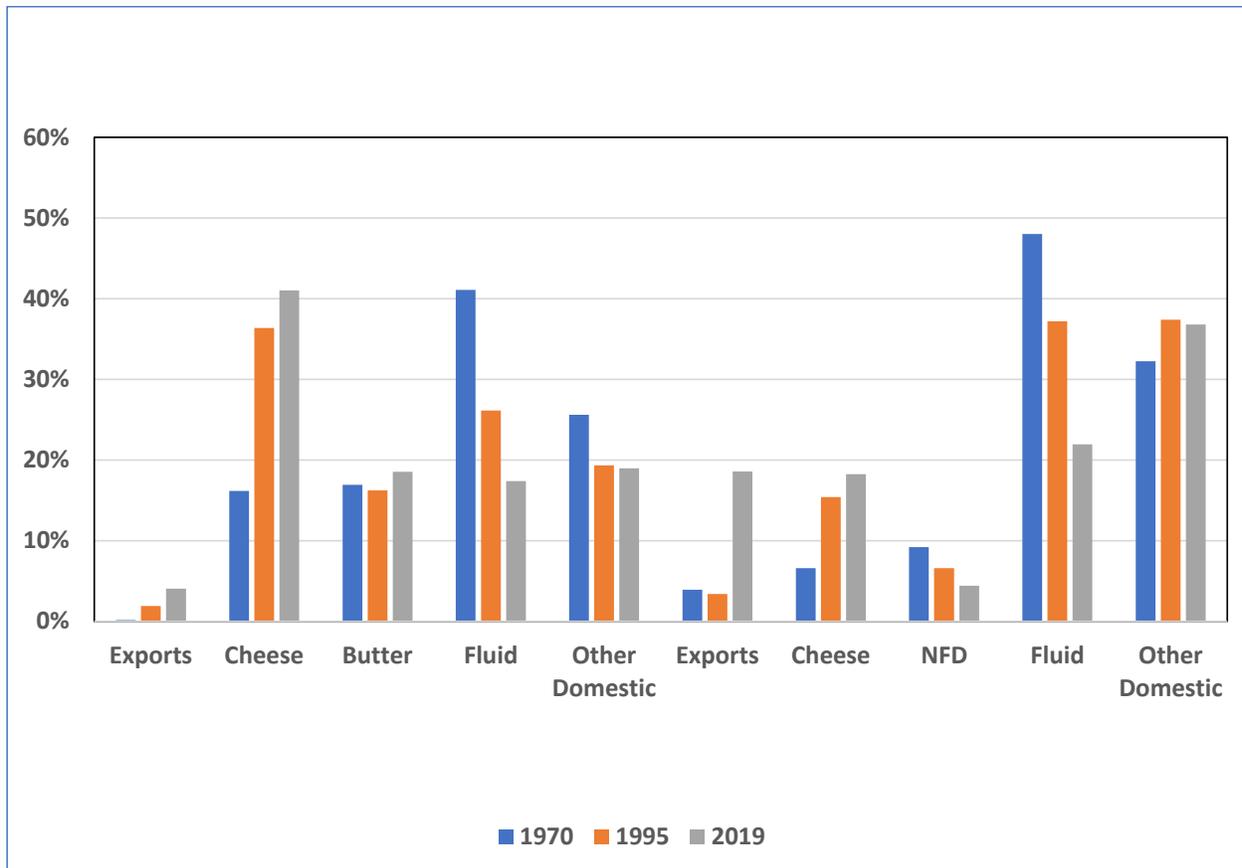
Figure Two shows the regional results for operations with 500 or more cows. Individual state data disclosure issues prohibit building a similar graph for operations with more than 1,000 cows on a regional basis. However, for some states, data is available, and it is straightforward to construct. Figure Three provides a state-level graph that shows the change in dairy cows relative to the percentage of operations with more than 1,000 dairy cows. The states shown in Figure Three do not fall on a straight line suggesting that the change in a state's dairy cow inventory is not completely explained by the percentage of dairy cows on larger operations. Yet, the correlation is strong.

This history on the change in dairy cow inventory is essential to consider as policy alternatives are weighed. Policies that might have been effective in the past may prove less effective moving forward, given the changing structure of dairy operations across the country.

*Dairy product demand is also important*

The changes that have occurred over the past decades in demand for milk and milk products must also be considered in terms of their effects on policy alternatives. Figure Four provides a look back at how dairy product demand has changed over the past five decades on both a milkfat and skim-solids basis.

*Figure 4: Changes in Milk Utilization, 1970 - 2019.*



The long-term trend in demand for milkfat and skim-solids can also provide clues for expected policy effects. These trends seem unlikely to reverse in the near term, so they can clarify the areas of demand that must be considered.

The skim-solids story is more straightforward. The total demand for skim-solids has much to do with the decline in skim-solids used in fluid milk as fluid milk consumption continues its long-term weakening trend and the offset that export markets have provided. These two effects nearly offset each other over the 1995 to 2019 period.

Milk fat use has more moving pieces as the demand for milk fat in cheese and butter has been responsible for offsetting the loss of milkfat use in fluid milk. It is important to note that milk fat loss in fluid use has been less than the loss of skim solids in fluid use as consumers have switched to some higher fat fluid products. Cheese demand has remained strong.

### *History of federal dairy programs*

The dairy industry spent decades using a price support program to help provide a price floor for dairy farmers through the government standing willing to purchase cheese, butter, and nonfat dry milk products at set government levels. The program operated for years by essentially creating a floor on cheese, butter, and nonfat dry milk prices at these government-set levels. The support levels for dairy products were based on a formula that started with a milk support price.

The price support program indirectly provided support to farm-level milk prices through the federal milk marketing order system.

As the dairy industry entered the 1990s, the dairy price support program became less effective as market prices for dairy products frequently began to exceed the government-set levels. When market prices did fall below government-set levels, processors were reluctant to sell to the government as product specifications set by the government were not reflective of current commercial market specifications, and it was challenging to meet commercial contract agreements.

The dairy price support program ended with the passage of the 2014 farm bill.

The shift away from the price support program came as the industry turned to direct payment programs to provide additional support to dairy farmers. The first version of a direct payment program was the Milk Income Loss Contract (MILC) program that became law in the 2002 farm bill.

MILC originally paid between 45 percent of the difference between \$16.94 per hundredweight and the Boston Class I price on a producer's first 2.4 million pounds. MILC was modified in the 2008 farm bill to cover 2.985 million pounds of production and included a feed cost adjuster to provide more payments in periods of high feed costs and low milk prices.

The Margin Protection Program (MPP) replaced the MILC program with the passage of the 2014 farm bill. The MPP created a national margin trigger calculation that included the milk price and corn, soybean meal, and alfalfa prices. It allowed producers to pick the level of margin coverage they wanted with higher premiums for higher-margin coverage levels. The MPP did not see much producer

participation as producers found premium costs too high relative to expected payments. Congressional Budget Office scoring of MPP made it challenging to develop the program without estimated costs being too high. The program offered lower premiums for a producer's first 5 million pounds of production history and higher premiums for coverage chosen above 5 million pounds.

The 2018 farm bill changed the MPP, and the program was renamed the Dairy Margin Coverage (DMC) program. It reduced premiums from the MPP levels and provided higher-margin coverage options than the MPP.

The enhanced benefits of the DMC program have increased participation in the program. For the first year of the program, 82 percent of operations were enrolled. Enrollment declined in program year 2020 to just 50 percent of operations enrolled as producers had expected higher milk prices before COVID-19 became a reality. 2021 has seen enrollment move higher, with 74 percent of operations enrolled.

The DMC margin has been below \$7.25 per hundredweight for each of the first six months of 2021, well below the highest level of coverage of \$9.50 per hundredweight.

USDA estimates that enrolled operations received on average \$13,408 in DMC payments in 2019, \$16,103 in 2020 and \$18,230 thus far in 2021. The effects of the 5-million-pound limit at the lower premium levels under the DMC program can be seen in some of the state-by-state data. In California, the average operation received \$25,934, while total payments in California were \$29.9 million. In contrast, the average operation in Wisconsin received \$11,742, with total payments totaling \$698 million. The difference between these two states rests in Wisconsin's 5,941 enrolled operations, while California had 1,152.

Although the 5-million-pound production history limit was put in place partially to keep the government cost of the program lower, the DMC program also tends to be more helpful for smaller producers who remain under the 5-million-pound production history limit.

#### *More on Payment Limits*

Payment limits were first introduced in the 1970 farm bill. They have evolved and changed over time, but payment limits have remained in place since their introduction and have been incorporated into every farm bill with broad support from both parties. Payment limits were initially included in farm bill commodity programs, but have since been included as well as part of ad hoc disaster aid as such spending has often surpassed farm bill program spending.

Current discussion on payment limits has focused on attributing payments directly to individual recipients, making payments available only to persons or entities currently engaged in farming, capping the amount of payments that a qualifying recipient may receive in any one year, and excluding those with incomes above a certain level, usually an Adjusted Gross Income limit, from receiving payments. These different decisions can have a variety of consequences for program participants, including in relation to farm structure, size, or production choices.

Importantly, farm payment programs have included some form of limitation whether they are created in statute via Congress or developed via regulation by USDA. Currently, for crop producers, the Average Risk Coverage (ARC) and Price Loss Coverage (PLC) payments are capped at \$125,000 per calendar year. The Market Facilitation Program (MFP) had a \$125,000 per person limit for dairy and hog payments in 2018 and a \$250,000 per person limit for 2019. The Coronavirus Food Assistance Program (CFAP) rounds one and two each had a \$250,000 per person limit, with corporate entities having limits up to \$750,000 depending on the number of active shareholders.

Payment limits have been used to cap total dollars flowing to large operations and to reduce expected government costs of different programs. Payment limits will remain a part of political debate for the foreseeable future, given the challenges they pose to operations in many regions of the country. Still, it remains difficult seeing payment limits completely being eliminated, given their continued use over the past five decades across the broad range of farm programs and a fear of backlash that could occur against farm programs should they be eliminated. Those that favor payment limits often cite that taxpayers would no longer favor farm program spending if they see large payments going to larger operations.

Payment limits in the dairy industry have reduced the benefits to larger dairy producers. While the DMC limits production history covered and the CFAP and MFP programs have hard dollar caps, all three programs have capped benefits to larger dairy farmers.

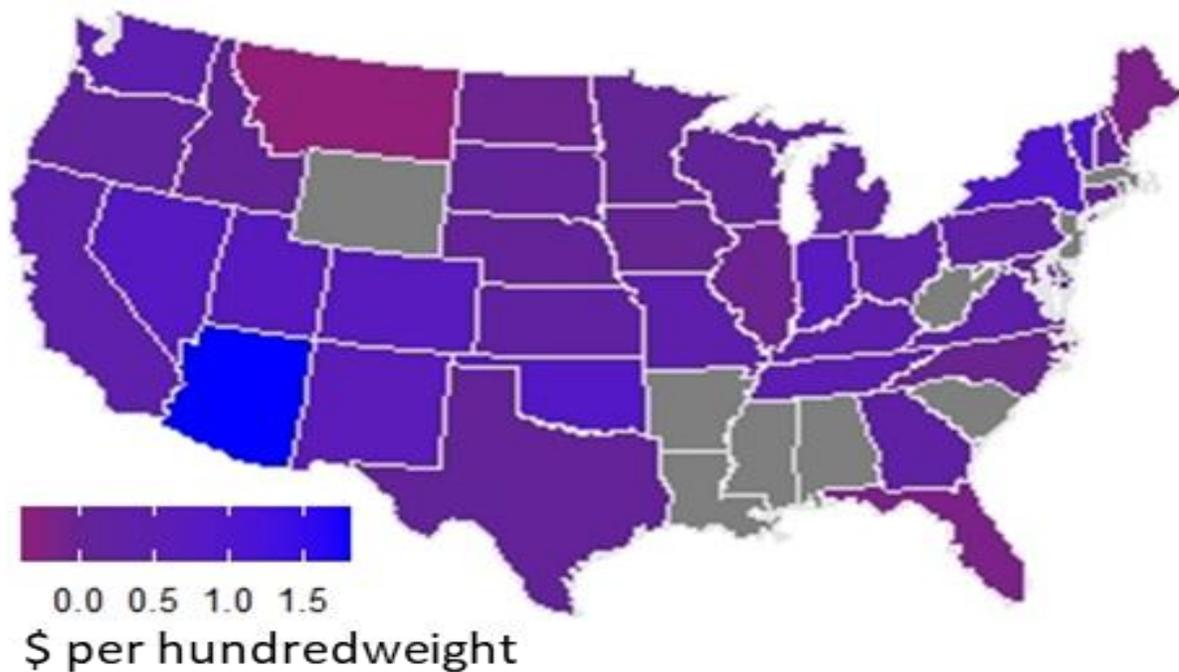
The payment limit caps across the different programs are very different in terms of their effects on larger operations. In the case of the DMC program, only an operation's first 5 million pounds of production history is eligible for the lower-tier premium rates. In contrast, the CFAP2 \$250,000 payment limit was not binding until operations exceed more than 25 million pounds in annual production, essentially a 5-fold increase over the DMC production history cap.

### *Newer insurance products available to dairy producers*

The Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy) provides protection when feed costs rise or milk prices drop and can be tailored to any size farm. Gross margin is the market value of milk minus feed costs. LGM-Dairy uses futures prices for corn, soybean meal, and milk to determine the expected gross margin and the actual gross margin. LGM-Dairy is similar to buying both a call option to limit higher feed costs and a put option to set a floor on milk prices.

Starting in 2018, Dairy Revenue Protection (Dairy-RP) was designed to insure against unexpected declines in the quarterly revenue from milk sales relative to a guaranteed coverage level. The expected revenue is based on futures prices for milk and dairy commodities, and the amount of covered milk production elected by the dairy producer.

*Figure 5: 2020 DRP insurance payout for covered production.*



Dairy-RP offers two Revenue pricing options:

- 1) The Class Pricing Option uses a combination of Class III and Class IV milk prices as a basis for determining coverage and indemnities.

- 2) The Component Pricing Option uses the component milk prices for butterfat, protein and other solids as a basis for determining coverage and indemnities. Under this option, the butterfat test and protein test percentages can be selected by the producer to establish the insured milk price.

Figure Five shows the expected payout for production covered under Dairy-RP during 2020. Many states experienced a positive payout after accounting for premiums paid under the program.

It is important to note that none of the insurance products offered in U.S. agriculture have been subject to any payment limitation. That could be important as future dairy policy is discussed.

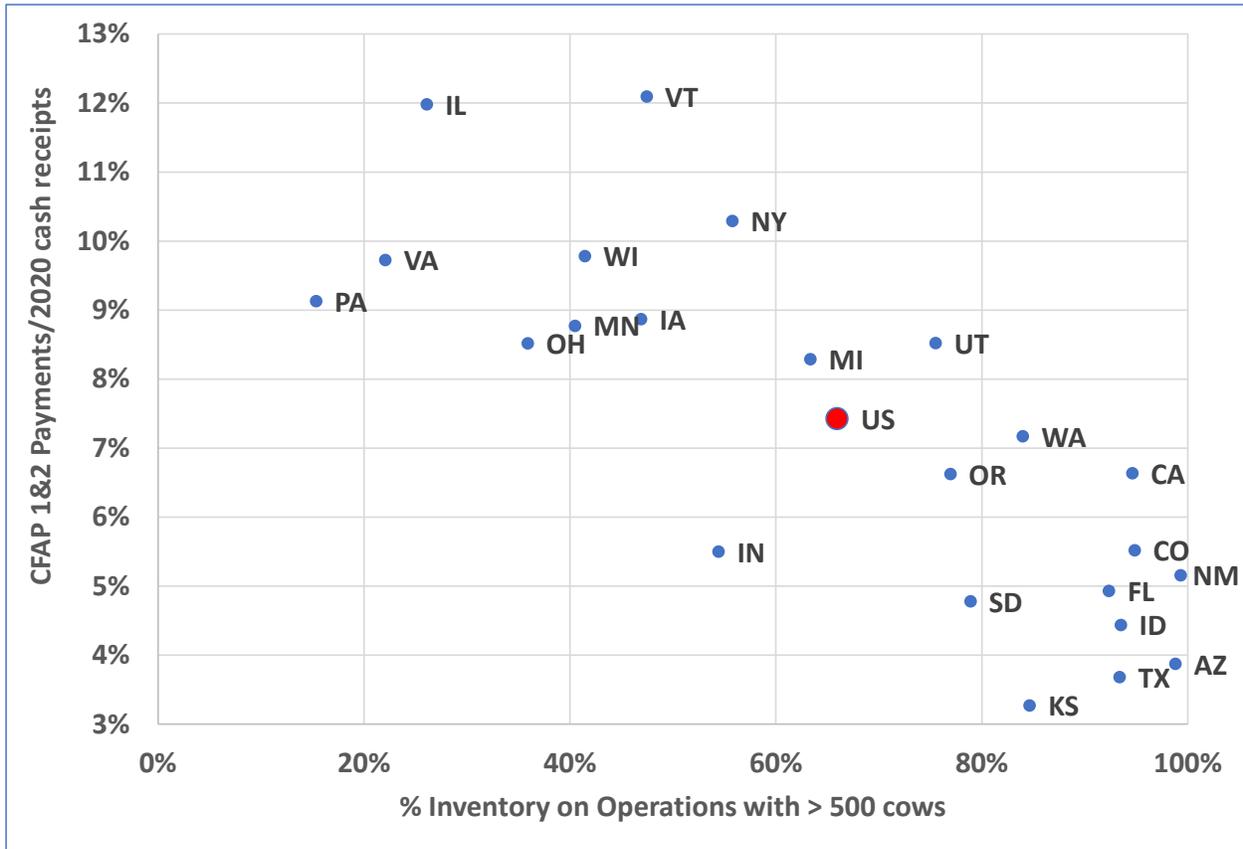
#### *The CFAP program worked to offset COVID-19 effects*

The U.S. Congress passed two rounds of stimulus monies to help offset the effects of COVID-19. The CFAP round 1 program for dairy made payments in the following manner: a single payment made based on a producer's certification of milk production for the first quarter of the calendar year 2020 multiplied by \$4.71 per hundredweight and a second part based on a national adjustment to each producer's production in the first quarter multiplied by \$1.47 per hundredweight. CFAP round one payments totaled nearly \$1.8 billion to dairy producers.

The second round of CFAP took a producer's total actual milk production from April 1, 2020, to August 31, 2020, multiplied by the payment \$1.20 per hundredweight; and then estimated milk production from September 1, 2020, to December 31, 2020, based on the average daily production from April 1, 2020, through August 31, 2020, multiplied by 122, multiplied by a payment rate of \$1.20 per hundredweight. CFAP round two payments totaled a little more than \$1.2 billion to dairy producers.

As a result of the payment limits imposed on CFAP1 and CFAP2 payments, the effects of these direct payment programs differed on a state-by-state basis. First, on a U.S. basis, CFAP payments made to date equal about 7.5% of 2020 dairy cash receipts from marketings. This amounts to some of the largest government outlays seen in decades. Figure Six highlights that on a state basis, CFAP had differing effects. For Vermont, CFAP payments were 12% of market cash receipts, while in Kansas, CFAP payments were a little more than 3% of cash receipts.

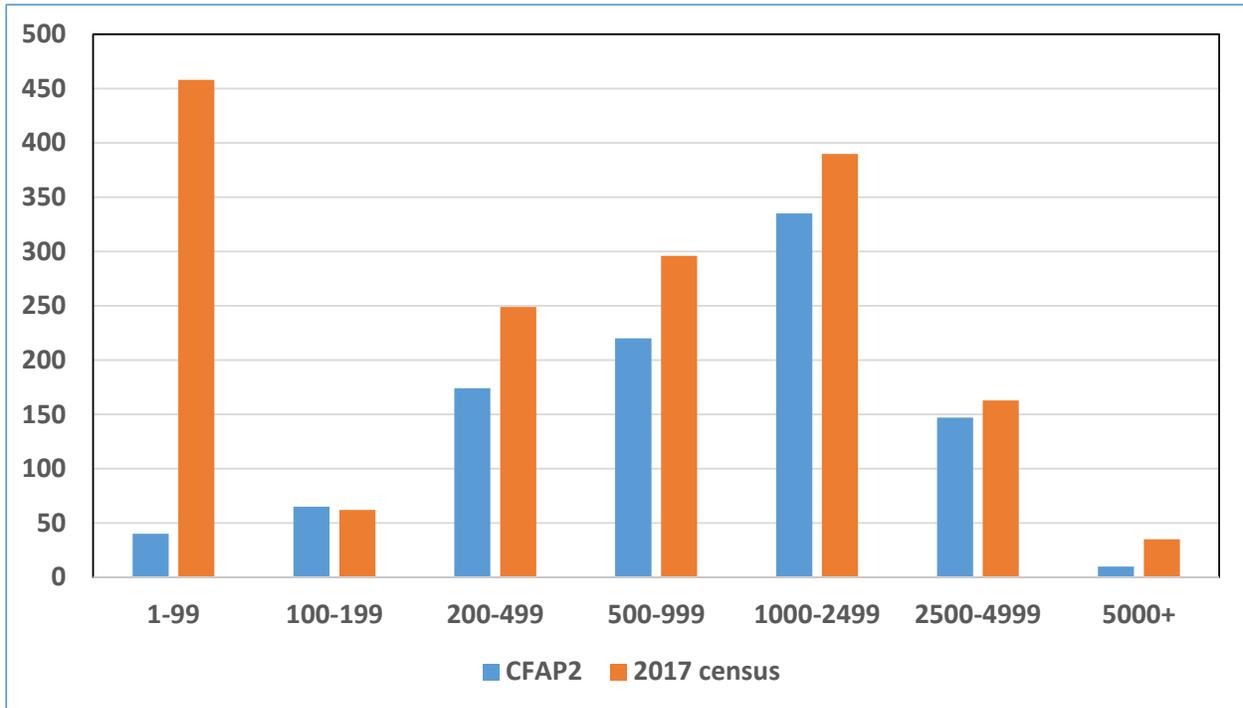
Figure 6: CFAP provided needed support to U.S. dairy producers.



Plotting CFAP payments by state as a percentage of cash receipts relative to the percentage of a state's dairy cow inventory that resides on operations with more than 500 dairy cows shows that the payment limits used in making CFAP payments certainly affected a state's level of CFAP payments relative to cash receipts. The correlation between these two categories is nearly -0.8. The data dispersion in figure six indicates that while payment limits are important, other factors were also at play in determining the CFAP payments received by individual states as a percentage of cash receipts.

The CFAP payment data to operations can provide more background on the effects of payment limits on individual states. Before examining this data, it is instructive to compare the number of operations receiving CFAP payments on a size basis relative to the 2017 USDA Census of Agriculture. Figures Seven and Eight compare operations participating in the second round of the CFAP program (CFAP2) relative to the operations reported in USDA's 2017 Census for Wisconsin and California. This comparison is across different sizes of dairy operations in these states. Figures Seven and Eight show similar data between the census data and CFAP2 data for these two states in terms of operation numbers by operation size, except for the 1–99 size category. This

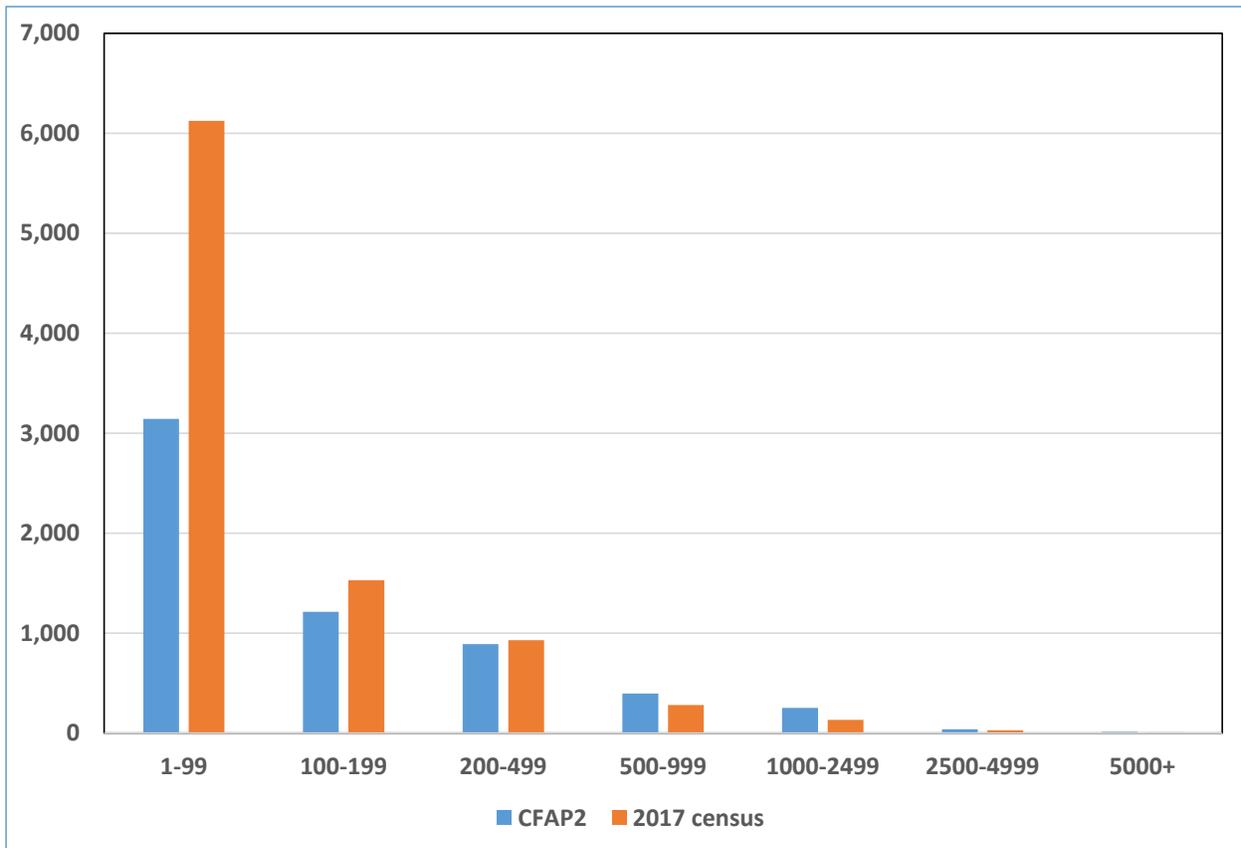
Figure 7: Number of operations by dairy cow inventory, California



Author calculation based on provided CFAP operations data

comparison suggests that the CFAP data used here is representative of the industry in these two states. The next step of using the CFAP2 data is to see how many operations are affected by the payment limits set in the program. This calculation is based on the number of observations where an operation receives exactly \$250,000, \$500,000, or \$750,000 in a CFAP2 payment.

Figure 8: Number of operations by dairy cow inventory, Wisconsin

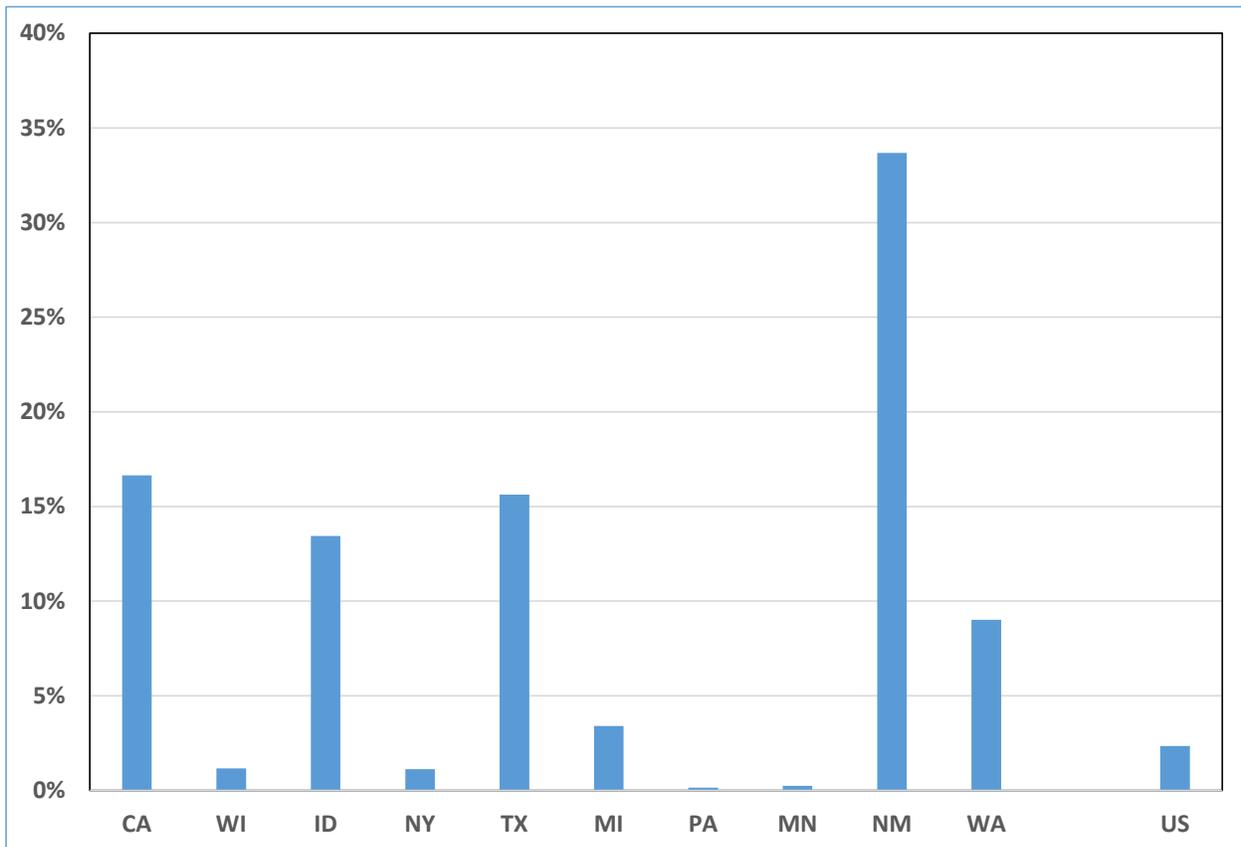


Author calculation based on provided CFAP operations data

Figure Nine shows the top ten milk production states and the U.S. as a whole. Across the U.S., less than three percent of operations were affected by payment limits under the CFAP2. However, states like California, Idaho, Texas, New Mexico, and Washington had a substantially higher percentage of operations affected by the payment limits. This is another way to highlight that payment limits tend to affect states with a higher percentage of larger operations.

Future direct payment programs to the dairy industry will likely have similar effects on a state basis if payment limits are incorporated into the program.

Figure 9: Percentage of operations receiving CFAP2 payments affected by the imposed payment limitation, top 10 dairy production states, and the U.S.



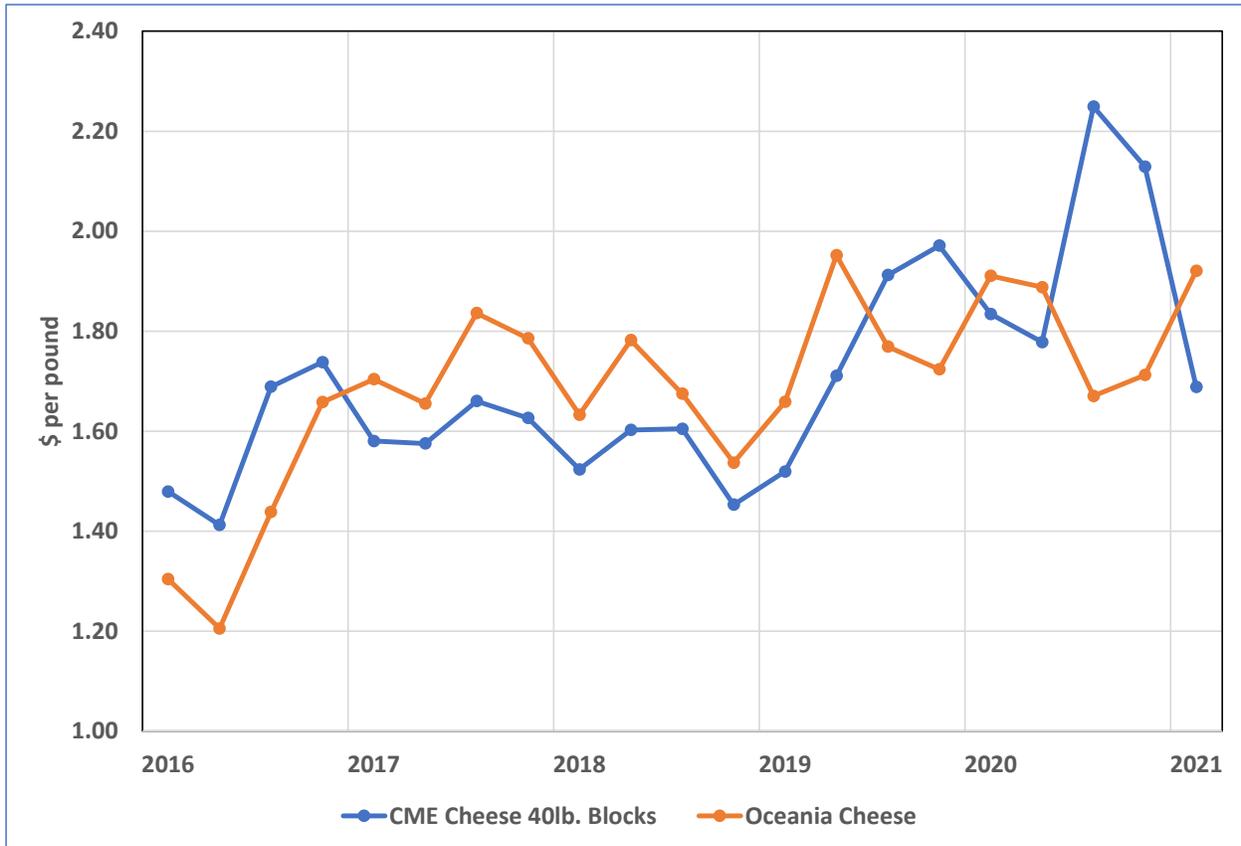
Author calculation based on provided CFAP operations data

#### *The USDA Farmers to Families Food Box Program provided support to dairy prices*

The food box program directly brought food to those in need as a result of the pandemic. These food boxes contained many different food products including some dairy products. Current USDA estimates show total food box outlays of nearly \$6.0 billion. It is difficult to pinpoint the exact amount spent on dairy products because combo boxes contained multiple products including dairy products but clearly hundreds of millions of dollars were directed towards dairy products. Food box dairy purchases were in large part associated with cheese.

Figure Ten shows quarterly cheese prices for both the U.S. and Oceania markets. It is clear from figure ten that when the food box program was making a majority of purchases, U.S. cheese prices were higher. It should be noted that it is hard to estimate just the effects of the food box program relative to the effects of all market factors during that time.

Figure 10: Quarterly cheese prices

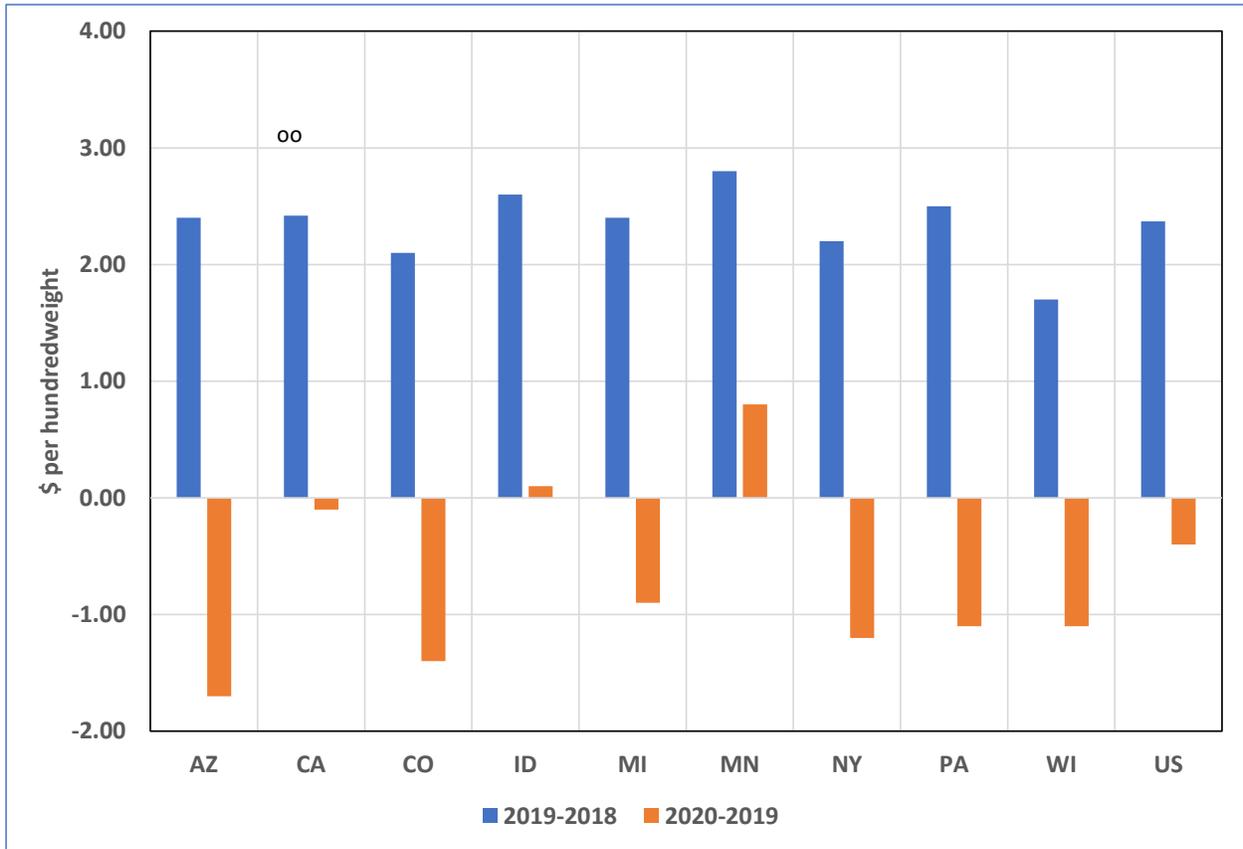


The effect of the food box program was felt unevenly across the country as those areas of the country with a majority of their milk priced off of cheese prices likely experienced a greater impact from the food box program.

Figure Eleven provides some information on the effects of the food box program on the per hundredweight change in market receipts from 2019 to 2020. Those states that depend more on cheese prices saw the largest positive change in per hundredweight milk receipts from 2019 to 2020, while those states that depend more on products other than cheese saw a decline from 2019 to 2020. This underscores the differing effects of the food box program at the state level and other important factors that occurred at the same time, such as the depooling of milk in some parts of the country.

The differences in market receipts on a per hundredweight basis do not normally deviate as much as was seen in the 2019 to 2020 data provided by USDA in the Milk Production, Disposition, and Income Report.

Figure 11: Change in per hundredweight market receipts from 2019 to 2020.

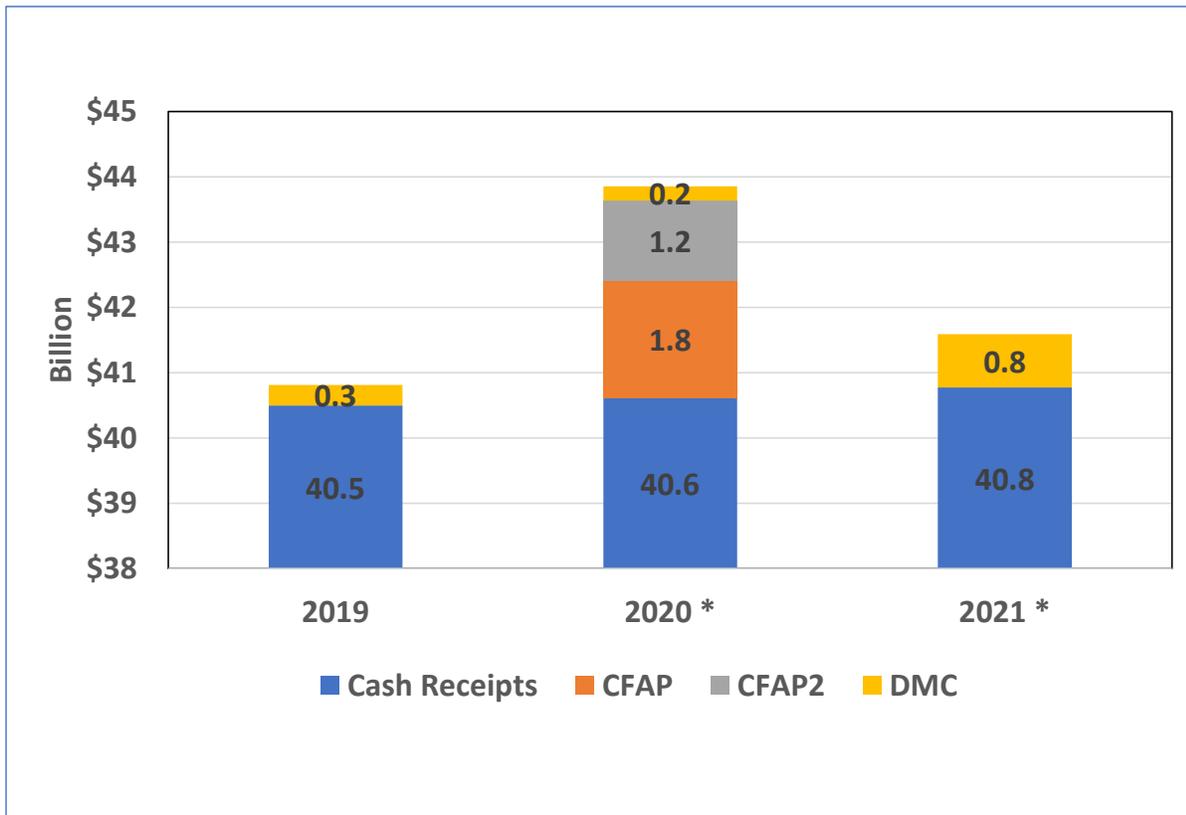


It should be noted that examining the effects to the farm level would likely show even greater variations than shown in figure eleven depending on how the individual dairy producer's milk is used and what changes in utilization the dairy farm saw in its milk check.

*Summary and conclusions*

The particulars of alternative dairy policies are important to determine their impacts on different regions of the country. Figure Twelve shows that the programs implemented to offset the effects of COVID-19 provided a \$3 billion increase at the U.S. level in aggregate. The specific programs, CFAP and the food box program, did not have the same effects on different regions of the country.

Figure 12: U.S. dairy revenue



\* - The 2020 and 2021 estimates are based on the latest USDA forecast of farm income and government program spending through October 2021.

Payment limits imposed on CFAP1 and CFAP2 payments meant that these programs provided more support to smaller producers on a per hundredweight basis. Indirectly it means regions with smaller producers experienced higher levels of support on a per hundredweight basis. However, eliminating payment limits in future direct payment programs for dairy producers is likely tough if not impossible, given legislators have imposed payment limits for decades.

Programs that purchase products from the marketplace can also support dairy producers but exactly what products are purchased is important to the exact outcomes in different regions of the country. The food box program emphasized cheese purchases and provided the most support to producers in regions where cheese prices are most important in determining farm-level milk prices. Programs like the food box program do not have payment limits like direct payment programs which can be viewed as a positive by larger dairy producers that are affected by payment limits. Yet, purchase programs can have issues if program purchases displace commercial sales. The history of the dairy price support program showed displacement could be an issue at times when the government provided reduced or free dairy products.

There are no easy answers regarding how to best implement policies meant to help dairy producers. Almost all program alternatives will have unanticipated effects. Analyzing how previous programs have affected dairy producers should inform the future debate on dairy policy.

There are some summary points to be raised as future dairy policy is discussed. Important discussion points are:

- 1) The supply side of the dairy industry continues to evolve and change over time. This changing structure must be recognized and addressed in changes in dairy policy. An economist's view is that the industry is becoming less responsive to changing economic signals, especially in the short run, than occurred historically.
- 2) Demand for dairy products has shifted from what once was focused on fluid milk use to focus more on domestic cheese demand and international markets. This demand difference is important to discuss in the context of new dairy policy.
- 3) Building a domestic dairy policy that addresses all of the issues that unfolded with the pandemic is impossible. The effects of COVID-19 happened so quickly and were so disruptive that finding the perfect policy offset is difficult. This is especially true in the relatively short time that policies were adopted to help offset the pandemic. It often takes years to change federal dairy policy, yet the pandemic was amazingly addressed in a matter of weeks.
- 4) It will remain politically difficult to not have some type of payment limits associated with direct payment types of programs. These would be payment programs such as CFAP1 and CFAP2 or even the DMC program which imposes a production history cap on the lower premiums under the program.
- 5) Federal budget pressures could return and limit the amount of funding available for dairy policy.
- 6) Federal dairy policy will need to continue to evolve. Moving from the price support programs of the 1980s and 1990s to the direct payment programs of the 2000s and 2010s took significant amounts of time to accomplish.
- 7) Federal dairy policy will continue to grapple with an adequate safety net without incentivizing too much milk production relative to market demand.
- 8) As future federal policy is developed to address the needs of the dairy industry, there will need to be focus on potential unintended consequences of new policies. Recent issues that resulted from the Food Box program providing more support for cheese than any other dairy product provides just one example of unintended consequences.