

HCS HB 1326 -- DAIRY INDUSTRY REVITALIZATION ACT

SPONSOR: Guernsey

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Agri-Business by a vote of 13-0.

This bill establishes the Missouri Dairy Revitalization Act of 2014. In its main provisions, the bill:

- (1) Creates the Missouri Dairy Industry Revitalization Fund;
- (2) Requires the University to conduct or contract with an independent research company to conduct research to determine the estimated sales tax revenue generated in the state from the sales of dairy products and must provide the estimate to the Department of Agriculture by October 1 of each year;
- (3) Specifies that no more than 40% of the estimated sales tax revenue generated from the sales of dairy products may be appropriated to the fund and must be spent in the following order of priority:
  - (a) First, to the dairy producer margin insurance premium assistance program;
  - (b) Second, to the Missouri dairy scholars program; and
  - (c) Third, to the commercial agriculture program;
- (4) Requires the department to create and administer, through the Missouri Agriculture and Small Business Development Authority (MASBDA), a dairy producer margin insurance premium assistance program for the purpose of assisting dairy producers who participate in the federal margin protection program in the Agricultural Act of 2014;
- (5) Specifies that all dairy producers who participate in the federal margin protection program are eligible to apply to participate in the dairy producer margin insurance premium assistance program and must apply with MASBDA by January 1 of each year;
- (6) Specifies that participating dairy producers who have paid their federal premium payment and provide proof of such payment to MASBDA are eligible to have 70% of federal premium payment up to a maximum premium reimbursement rate of \$.34 per hundredweight of milk;

(7) Requires the University of Missouri and MASBDA to provide risk management training for Missouri dairy producers annually;

(8) Creates the Missouri Dairy Scholars Program, administered by the department, for eligible students in agriculture-related degree programs who make a commitment to work in Missouri's agriculture industry;

(9) Requires the department to make available to eligible students up to 80 scholarships in the amount of \$5,000 each to assist with the costs of tuition at a Missouri two-year or four-year college or university;

(10) Sets out eligibility requirements for students, including requirements to sign a contract with the department in which the recipient agrees to work in the agriculture industry in Missouri for at least two years for every year the recipient receives the scholarship and to work on a dairy farm or in a dairy-related internship for at least three months; and

(11) Requires the University of Missouri's Commercial Agriculture Program to conduct an annual study of the dairy industry, develop a dairy-specific plan for how to grow and enhance the dairy and dairy processing industries in Missouri, and report the results of the study to the Department and all agriculture-related legislative committee chairpersons by January 1 of each year.

PROPONENTS: Supporters say that the dairy industry in Missouri has continued to decline over the past decade. This bill will provide the stability for dairy farmers and provide incentives for students to enter the dairy industry after college.

Testifying for the bill were Representative Guernsey; Dr. Scott Brown and Dr. Thomas Payne, University of Missouri; Lloyd Gunter; Larry Schmidt; Associated Students of the University of Missouri; Cody Jones; and Missouri Agribusiness Association.

OPPONENTS: There was no opposition voiced to the committee.