AMERICAN DAIRY COALITION

Advocacy by dairy farmers for dairy farmers



Which Direction for Dairy Battleship?

Look beyond today's mailbox price
to the policies and direction
shaping long-term profitability

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Election Day is around the corner. Milk prices are ugly. Diesel, fertilizer, labor and interest costs are taking bigger bites. Trade fights add uncertainty.

Elections are not just about the fuel bill or the mailbox price. (Thankfully, the advance price and Class III show a $2 improvement to finally kick-in for November's milk.)

Elections are about who writes the rules next year — and for years after that. Who controls the committees. Who decides which bills get hearings or move forward. Who writes and enforces environmental rules affecting farms. Whether whole milk and nutrition gains remain or get scrapped. How lab-made products competing with REAL dairy and beef are labeled. Whether year-round agriculture gets a workable labor program. Whether farmers gain transparency over mandatory checkoff dollars. Whether data rights are protected. Whether free trade is also fair trade. And whether recent favorable farm-policy and tax changes stay in place.

When we're already halfway across the stream, do we really want to change horses without first looking at where each one is headed, how we got here, what we are truly navigating?

Consider input costs. Farmers entered 2026 still carrying costs reset higher. According to the CPI, inflation surpassed 21% from 2021 through 2024 with the effects of prior war already on natural gas, fertilizer and fuels, and years of energy policy disruption and offshore reliance. This year's Iran conflict and Persian Gulf disruptions pushed diesel and fertilizer higher again, but what are all the factors that got us here?

There is no switch in Washington that instantly reverses it all. More domestic fertilizer capacity, strong U.S. energy production, broader biofuel options and tax incentives for investment can on-shore and stabilize and reduce exposure to the *next* disruption. Near-term aid can cushion cash flow; longer-term policy requires patience and determines future impacts.

Labor is one place where years of stalemate may finally be moving in a commonsense bipartisan way. House Agriculture Chairman Glenn “GT” Thompson's Securing Agriculture's Workforce Act is growing cosponsors and has overwhelming support from farm groups. It would open practical H-2A access for year-round dairy and livestock, address wage costs, and streamline the process. That path requires leadership.

Farm policy has moved too even if the benefits aren't yet fully realized.

H.R. 1 — the One Big Beautiful Bill Act — last year extended and strengthened ARC, PLC and raised statutory reference prices, increased marketing-assistance loan rates and crop-insurance support, and provided for additional base acres. These changes are only now starting to filter through.

For dairy, it raised Tier I DMC coverage from 5 million to 6 million pounds and allows farms to update production history and receive a discount for multi-year enrollment. Yes, there may be more to do on DMC, but these improvements are important too.

H.R. 1 also made the 20% Qualified Business Income deduction permanent, restored permanent 100% bonus depreciation, increased Section 179 expensing and importantly the estate-tax exemption, as well as including provisions that positively affect farm lending, investment and how gains are handled for farmland transition that continues in agriculture.

Ask your accountant what those changes mean for your operation, your balance sheet, your investments, transition planning, and next generation. They don't erase today's high costs, but they belong on the ledger.

So does accountability over the dollars and information farmers are required — or pressured — to provide. The House-passed 2026 farm bill includes a checkoff-transparency amendment requiring USDA to publicly post commodity-board audits, budgets, approved activities and independent evaluations. Keeping this in requires leadership.

Meanwhile, USDA has directed that mandatory dairy checkoff dollars no longer fund projects advancing ESG, net-zero and climate-neutrality initiatives. The Administration is also changing its approach to farmer data, recognizing food and national security, calling for less reporting burden, clearer explanations of why information is collected and stronger producer privacy. The question is simple: Who wants my data, why do they want it, who controls it, and how is it going to be used?

Environmental policy belongs on the ledger too.

USDA has streamlined its NEPA framework, while EPA and the Army Corps are working toward a narrower Waters of the United States definition following the Supreme Court's *Sackett* decision.

In Wisconsin, dairy groups have challenged privately funded Special Assistant Attorneys General working inside the state Department of Justice on environmental matters. Similar arrangements exist in 11 other states too. Their salaries and benefits are funded through an outside NYU environmental law center backed by Bloomberg philanthropy. A legislative investigation raised questions about funding, authority and oversight; AG Josh Kaul in Wisconsin maintains the appointments are lawful. That raises a big question about where government authority ends and outside influence begins.

Socialism rarely arrives as a single seizure of the farm or freedom to farm. It advances quietly through accumulated rules, outside activist or private influence over public institutions, and the gradual transfer of decisions from property owners to regulators.

Whatever label one puts on it, farmers should know who is writing the rules, who is paying the people enforcing them and who is accountable.

Nutrition and labeling offer another contrast.

Under current leadership and Thompson's persistence, the Whole Milk for Healthy Kids Act became law, including its saturated-fat exemption. The Administration's Dietary Guidelines also put greater emphasis on protein, full-fat dairy and nutrient-dense foods.

Meanwhile, Sen. Bernie Sanders' Childhood Diabetes Reduction Act, S. 5026, advanced from committee to the Senate calendar. Its warning-label framework includes saturated fat as a 'nutrient of concern', raising questions about how whole milk, cheese and yogurt would be treated.

We just got whole milk legal in schools again. Could the next turn put a warning on it?

Wisconsin Congressman Tony Wied's REAL Butter Act, H.R. 9387, tackles another labeling question, requiring lab-created fake products marketed as butter primarily to food processors be identified as “lab-created” on resulting labels so consumers know.

Could real dairy foods containing naturally occurring saturated fat face warning labels while a laboratory-made product quietly competes for the name “butter”? Shouldn't consumers know the difference? Which horse is navigating these issues in the right direction?

These aren't abstract debates. Who controls Congress helps determine which ideas get hearings, amendments and floor time — and what gets negotiated away.

Agricultural policy is like turning a large ship. It doesn't pivot on a dime. When somebody turns the wheel hard, things can slide across the deck before the ship settles into a different course. Sometimes the discomfort of changing direction gets confused with the reason the direction needed changing.

So ask: *Where was the ship headed, and where is it headed now, and who sets the next course? We don't know what we don't know*, so we ask.

Ask your accountant about the new tax provisions. Ask what changed in ARC, PLC and DMC. Read the labor proposal. Understand the direction of policies affecting long-term on-shoring of energy and impacts on future input costs. Find out what's being done with your checkoff dollars and farm data. Look at environmental, nutrition and labeling policy — and who will control the committees deciding what comes next.

A lot is riding on this election beyond the current milk check and fuel bill.

Look at what's already changed, what's still in motion, what's short-term and what's long-term. Then make your own decision on the whole picture.

Above all, cast your vote. The farm work will wait.

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