



## News Release

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*"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"*

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### **Dairy Farm Groups Urge Congressional Agriculture Conferees to Support Dairy Security Act** NMPF Joins 53 Other Farm Groups in Endorsing Senate Dairy Title



ARLINGTON, VA – More than 50 state and national dairy and farm organizations have joined together to urge congressional farm bill conferees to adopt the Senate's [Dairy Security Act](#) (DSA), because it offers farmers the most effective safety net for the future. The groups expressed their support in a [joint letter sent today](#) to the Senate and House members who will decide the fate of the 2013 farm bill.

On Saturday, the House leadership named 17 Republicans and 12 Democrats to the conference committee that will reconcile the respective House and Senate farm bills passed earlier this year. They are joining seven Democratic Senators and five Republicans.

"As we reach what we all hope is the home stretch in the quest to develop a better economic safety net, dairy farmers from coast to coast are saying loud and clear that the Senate approach is not just the best choice; it's the most effective choice for farmers," said Jim Mulhern, Chief Operating Officer of NMPF. "The large number of organizations signing this letter highlights the breadth of support among the dairy farmer community for the Senate version of the farm bill, because it offers producers of all sizes the best safety net."

The letter to the conferees points out that the "Dairy Security Act is specifically designed to offer dairy farmers help when they desperately need it: when margins between farm milk prices and production costs shrink to dangerous levels. Equally important, the Dairy Security Act is designed to limit taxpayers' liability through its market stabilization mechanism. This provision will help farm milk prices recover more quickly, while mitigating against prolonged or particularly serious downturns that would otherwise increase government program costs."

The dairy and farm groups note that current programs have been a costly failure, because they "did nothing to address the underlying cause of the problem: low prices triggered by milk supplies that badly outstripped demand. Without the two-pronged Dairy Security Act, the conditions that created the crisis in 2009 will continue and could easily worsen in the future."

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Noting that individual farmers can decide whether or not to participate in the dairy program, the groups said the “DSA is a voluntary program that protects producers and keeps taxpayer costs in check. Contrary to the gross distortion pedaled by DSA’s opponents during the House debate, the plan doesn’t increase retail milk prices. It is designed merely to keep farm milk prices from staying too low for too long, conditions that put 2,000 dairy farms out of business in 2009.”

Reacting to opposition to the DSA from dairy processors, the dairy farmer groups point out that “processors, wholesalers and retailers receive 70% of the amount consumers pay for dairy products (with farmers receiving only 30%), and they employ their own supply management daily by buying only the amount of milk they want. Without the stabilization mechanism, when there are excess supplies that drive down the price of all milk it is dairy farmers, the cooperatives they own and taxpayers who would suffer.”

“Collapsing farm prices and unchecked milk supplies are a bonanza for dairy processors. Again in 2009, as prices fell precipitously and farmers lost money on every gallon of milk they produced, processors’ earnings soared (“the perfect sunny day,” as one processing industry leader said at the time). No wonder they oppose a system designed to keep milk supplies in better balance with demand and prevent a prolonged collapse in farmers’ margins.”

Mulhern said it is critical that farm bill conferees adopt the Senate dairy provisions in order to protect dairy farmers, provide greater stability to dairy markets and protect taxpayers.

“Without the DSA’s market stabilization program, dairy farmers will continue to suffer periods of unsustainably low prices, even as taxpayers will subsidize processors by keeping milk prices artificially low through margin insurance that blunts the market signals contained in the market stabilization component,” he said.

The leaders of the farm bill conference said Wednesday they are likely to formally begin meeting the last week of October.

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The National Milk Producers Federation (NMPF), based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF’s cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. Visit [www.nmpf.org](http://www.nmpf.org) for more information.