



News Release

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

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National Milk Producers Federation Statement on IDFA News Release on Milk Supplies

From Jerry Kozak, President and CEO of NMPF:

"The [International Dairy Foods Association](http://www.idfa.com) (IDFA) has mischaracterized the real issue facing dairy farmers this summer.

"Summer heat always leads to a slowdown in milk output – this year will be no different – but the USDA reported last week that milk production in the second quarter of 2012 was up 2.0% compared to 2011, while the first quarter was up a whopping 5.3%. The U.S. is well on track to produce a record volume of milk this year, a hot summer notwithstanding.

"As a result, farmers' prices this June were down 18% from June 2011, 30 cents a gallon less. Consumers really should be asking if the price they pay at retail for dairy products have dropped by the same amount. The answer is, retail prices haven't changed, even as the farm price this year has reflected the fact that supply has raced ahead of demand. Meanwhile, grain prices reflect the opposite: that supplies are short in relation to demand.

"The dairy policy provisions in the Senate and House farm bills are tied to the critical difference between the farmer's milk price, and the cost of feed. When that margin contracts to dangerously low levels, those who volunteer to use the proposed program will be insured against these low margins – and they are also expected to trim their milk output until margins reach healthy levels.

"These summer temperatures, and the possibility of a poor crop harvest, are exactly why we need a dairy farm safety net that takes into account higher feed prices, and also gives us a tool to better align supply and demand. Relying on the weather to perform this process is foolish."

The National Milk Producers Federation, 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 30 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 for more information.