



News Release

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

FOR IMMEDIATE RELEASE
Thursday, February 14, 2013

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**National Milk Producers Federation Statement on
Senate Agriculture Committee Hearing on Drought Impact**

From Jerry Kozak, President and CEO of NMPF:

"Today's Senate testimony by USDA Chief Economist Dr. Joe Glauber highlights once again the harm that high feed costs are causing for the nation's dairy farmers, and is stark evidence of the need for Congress to pass a farm bill that will provide a workable new safety net for dairy producers.

"Glauber noted that feed costs make up 51 percent of expenses for dairy -- the highest feed costs of any livestock commodity. Glauber also noted that because of high feed costs, milk feed ratios have remained near the low levels experienced during 2009.

"USDA's analysis indicated that dairy will face continued tight margins in 2013, with net cash income expected to be lower in 2013 than last year for dairy farmers. Glauber also made this worrisome admission: 'another year of below-trend yields and high [feed] prices would likely result in further liquidation' of herds.

"These factors make it all the more urgent for the Senate and the House Agriculture committees, along with the full Senate and House, to pass a five-year farm bill that provides our dairy producers the security and stability they need. We need the Dairy Security Act – with its margin insurance and market stabilization program – to help buffer against the income-sapping effects of the drought, and other factors affecting feed prices."

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.