



National Milk Producers Federation

2101 Wilson Blvd., Suite 400, Arlington, VA 22201
703.243.6111 • www.nmpf.org

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

April 3, 2009

Director Peter Orszag
Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Ave, NW
Washington, DC 20503

Dear Director Orszag:

As Chairman of the National Milk Producers Federation, I am writing to you on behalf of the tens of thousands of dairy farming families across America about the importance of fully implementing the extension of the Dairy Promotion and Research program, a provision contained in the 2008 Farm Bill that will assess imported dairy products in a manner similar to those products produced domestically for purposes of boosting demand in the U.S. market. NMPF members market a majority of the milk produced in the U.S., making the NMPF an effective voice on national issues for dairy cooperatives and their dairy farmer members.

The dairy import assessment has now been passed twice by the Congress – first as part of the 2002 Farm Bill, and more recently again in 2008 in response to earlier guidance from USDA regarding a trade compliance concern in the 2002 version of the legislation. The legislation creates a more level playing field for domestically produced vs. imported dairy products by requiring imported dairy products to pay half of the promotional Dairy Checkoff assessment rate of \$0.15 cents that U.S. dairy producers pay on each 100 pounds of milk produced here.

This approach is obviously not ideal since it does not ensure completely equal treatment of imported vs. domestically produced dairy products. However, dairy farmers do not want the perfect to be the enemy of the good. The language contained in the 2008 Farm Bill on this issue is certainly a very welcome improvement over the status quo whereby imported dairy products have received the benefits of generic dairy promotion and research efforts for many years while paying none of the costs to help support these programs. Many other commodities such as cotton and beef have maintained assessments on imported products for several years now in recognition of the importance of more equitable treatment for their producers/growers.

Mr. Orszag, I am a dairy producer and I can tell you that those who work hard on their dairy farms on a daily basis are very eager to see this provision fully and finally implemented. I and many others throughout the dairy farming community have worked extremely hard for virtually a decade now to try to get this assessment implemented. I recognize that there are a small handful of importers, led by foreign companies such as New Zealand's Fonterra and the International Dairy Foods Association, who are very vocally opposed to this measure since it would cost them a few dollars off their bottom line; but those dissenters do not accurately reflect the very wide support the dairy import assessment enjoys throughout the vast majority

Jerry Kozak, President/Chief Executive Officer

Randy Mooney, Chairman

www.nmpf.org

Agri-Mark, Inc.
Arkansas Dairy Cooperative Association
Associated Milk Producers, Inc.
Continental Dairy Products, Inc.
Cooperative Milk Producers Assn.
Dairy Farmers of America, Inc.
Dairymen's Marketing Cooperative, Inc.
Dairylea Cooperative Inc.
Ellsworth Cooperative Creamery
Farmers Cooperative Creamery
First District Association
Foremost Farms USA
Humboldt Creamery
Just Jersey Cooperative, Inc.
Land O'Lakes, Inc.
Lone Star Milk Producers, Inc.
Manitowoc Milk Producers Coop.
MD & VA Milk Producers Cooperative Association, Inc.
Michigan Milk Producers Assn.
Mid-West Dairymen's Company
Northwest Dairy Association
Prairie Farms Dairy, Inc.
St. Albans Cooperative Creamery, Inc.
Scioto County Co-op Milk Producers' Assn.
Select Milk Producers, Inc.
Southeast Milk, Inc.
Swiss Valley Farms, Co.
Tillamook County Creamery Assn.
United Dairymen of Arizona
Upstate Niagara Cooperative, Inc.
Zia Milk Producers

of the dairy industry – not to mention those in Congress who have now twice sought to put this program in place.

There are tens of thousands of dairy producers across this country watching and waiting for this rule to be finalized. They are justifiably frustrated at seeing imports from closed dairy markets such as Europe or monopolistic industries such as New Zealand's (where one company controls 90% of the milk produced there) get a free ride on the backs of America's hard-working dairy producers.

We respectfully ask that OMB take steps to swiftly propose and finalize a rule on the dairy import assessment so that this long-awaited measure of fairer treatment for the U.S. dairy industry can finally be put into effect.

Sincerely,

A handwritten signature in black ink that reads "Randy Mooney". The signature is written in a cursive, flowing style.

Randy Mooney
Chairman

Cc: Secretary of Agriculture Tom Vilsack, USDA
Mr. Joseph E Montoni