



News Release

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

FOR IMMEDIATE RELEASE
Thursday, March 26, 2009

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NMPF Applauds Decision By USDA To Increase Use of Surplus Dairy Powder Approach Is "Win-Win" Scenario for Dairy Farmers, Families Across America

ARLINGTON, VIRGINIA – The National Milk Producers Federation thanked Agriculture Secretary Tom Vilsack today for the U.S. Department of Agriculture's decision to increase the use of surplus nonfat dry milk powder in feeding programs. NMPF said the move represents a "win-win scenario" that will benefit both dairy farmers and needy families across the U.S. suffering from the global economic downturn.

Secretary Vilsack announced Thursday that the USDA will direct 200 million pounds of nonfat dry milk to the federal school lunch program, and to food banks. Additional quantities of powdered milk may also be directed for use in foreign food aid programs.

The movement of the powdered milk out of USDA storage will eliminate a source of surplus dairy products that could overhang commercial markets and delay a recovery of dairy farm prices, which are, on average, below \$1 per gallon this month.

"This is an important first step taken by Secretary Vilsack to use the resources of the USDA to help address the economic crisis facing dairy farmers, who right now are suffering from punishingly low milk prices. Using government surpluses in a way that doesn't displace commercial dairy sales benefits everyone served by these programs," said Jerry Kozak, President & CEO of NMPF.

Kozak also thanked the many members of Congress who also had weighed in with the USDA, urging the agency to move aggressively to confront sagging dairy prices. He said that USDA should also consider using other tools at its disposal, such as purchasing additional quantities of consumer-ready dairy products, such as process cheeses and infant formula, for using in feeding programs through the so-called Section 32 program. He also renewed the request NMPF made in January to resurrect the USDA's dormant Dairy Export Incentive Program, to help boost overseas sales of U.S. dairy products in certain markets.

"We recognize that it takes time for the government to implement a multi-pronged approach to deal with the price depression confronting dairy farmers," Kozak said. "We look forward to continue working with the Obama Administration, and those in the USDA and other agencies, in

identifying more tools that the government can use.”

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 31 cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 40,000 dairy producers on Capitol Hill and with government agencies. For more on NMPF’s activities, visit our website at www.nmpf.org.

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