



National Milk Producers Federation

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703.243.6111 • www.nmpf.org

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

November 4, 2009

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
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

The Honorable Debbie Stabenow
United States Senate
Washington, DC 20510

The Honorable Tom Harkin
Chairman
Senate Health, Education, Labor and
Pension Committee
United States Senate
Washington, DC 20515

The Honorable Sherrod Brown
United States Senate
Washington, DC 20515

The Honorable Max Baucus
Chairman
Senate Committee on Finance
United States Senate
Washington, DC 20515

The Honorable Amy Klobuchar
United States Senate
Washington, DC 20515

Dear Senators:

We write to thank you for your leadership on the agriculture-climate offsets issue, and in particular, for the offsets bill you are releasing today. As you know, ensuring that a robust agriculture offset market is part of any climate change legislation is critically important both in terms of reducing the overall cost of compliance and creating revenue opportunities for our producers. Your approach will also provide incentives to our members to participate in the overall effort to responsibly reduce greenhouse gas emissions while protecting the dairy producer community. We believe that these goals can be achieved simultaneously if an appropriate policy mechanism is utilized such as detailed in your legislation.

The National Milk Producers Federation is particularly grateful for the work you and your staff have done to protect our industry from those who would rather pursue a strictly regulatory approach to managing methane emissions from livestock. To mandate such measures would ensure catastrophic financial losses within the dairy sector.

We also appreciate your understanding of the complexity of this issue and the concerns of the cost associated with reducing GHG emissions such as anaerobic digesters. Our producers are committed to producing the highest quality dairy products while also preserving the environment and your bill provides assurance that

dairy producers will be able to participate in a market-based system that will help the establishment of more methane digesters across the nation.

Your bill addresses a number of critical issues dairy producers' believe are essential to any "offset bill" such as:

- Establishing USDA as the lead agency on all agriculture and forestry projects while EPA will implement all other projects
- Allowing the "stackability" of credits to reward co-benefits to the ecosystem
- Rewarding early actors going back 2001
- Providing clarity that agriculture and forestry sectors shall not be regulated
- Providing funding for research and demonstration projects to improve emission reductions standards and technologies on working lands

We look forward to continuing to work with you, your co-sponsors and staff to ensure that the dairy industry benefits from a cap-and-trade legislation. We applaud your efforts to support and protect the agriculture industry as climate change legislation is developed.

Sincerely,

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

Jerry Kozak
President & CEO
National Milk Producers Federation