



National Milk Producers Federation

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

March 14, 2013

Secretary Tom Vilsack
U.S. Department of Agriculture
1400 Independence Avenue, S.W.
Washington, DC 20250

Dear Secretary Vilsack:

On March 12, 2013, NASS announced the suspension of a number of its statistical surveys and reports for the remainder of the fiscal year due to reduced funding caused by sequestration. Included in this list were three reports of vital importance to the U.S. dairy industry: the monthly Milk Production reports, the July Cattle Report, and the annual Milk Production, Disposition and Income report.

The announced suspensions will have significant negative impact on the U.S. dairy industry. Milk is the nation's third largest commodity in farm receipts, and is targeted for suspension of a larger number of important NASS reports than any other commodity. Additionally, dairy is the only major commodity among those affected that will have a critical monthly report suspended.

With the understanding that the announced suspensions will be temporary, for the remainder of the current fiscal year, I write to urge you to at least continue the monthly Milk Production report. The monthly milk production estimates are vital to many basic activities in our industry, contributing to efficient price discovery in the national cash, futures and options markets for dairy products, which determine dairy farmers' milk prices throughout the United States. The report is a key input for developing dairy outlook information that assists industry stakeholders with their business planning and risk management activities. It is necessary for estimating total dairy consumption and commercial disappearance, and thus provides critical information about the demand, as well as the supply side of our industry. Everyone from farmers to consumers could experience enhanced dairy price volatility if the entire value chain lacks clear information about supply, which is a key driver of milk price expectations.

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. Our member cooperatives produce the majority of the U.S. milk supply. NMPF is a major user and long-time supporter of NASS's statistical reporting programs, and has worked actively with NASS staff over the years to improve, update, and occasionally adjust these programs in the face of budgetary realities. The breadth and quality of the NASS' dairy statistics programs are vital to our industry.

-more-

Jerry Kozak, President/Chief Executive Officer

Randy Mooney, Chairman

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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.
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Ellsworth Cooperative Creamery
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Lone Star Milk Producers, Inc.
Manitowoc Milk Producers Coop.
MD & VA Milk Producers Cooperative Association, Inc.
Michigan Milk Producers Association
Mid-West Dairymen's Company
Northwest Dairy Association
Prairie Farms Dairy, Inc.
Premier Milk, 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

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We fully understand the budgetary constraints that sequestration imposes on NASS' programs, leading to the announced suspensions, and take seriously its assertion that "the decision to suspend these reports was not made lightly." But we are also concerned that these suspensions, particularly suspension of the monthly milk production report, will seriously imperil NASS's mission to "provide timely, accurate, and useful statistics in service to U.S. agriculture" in the case of our industry.

We urge you to restore this critical report.

Thank you for your kind attention to this letter. Please feel free to call me if you have any questions.

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

Jerry Kozak
President and CEO, National Milk Producers Federation

CC's:

USDA Chief Economist Joe Glauber
NASS Administrator Cynthia Clark
Senator Debbie Stabenow
Senator Thad Cochran
Representative Frank Lucas
Representative Collin Peterson