



News Release

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

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NMPF Statement on USDA Trade Aid Package *From NMPF President and CEO Jim Mulhern*

ARLINGTON, VA – “Today’s announcement by the U.S. Department of Agriculture (USDA) on its tariff mitigation plan falls far short of addressing the losses dairy producers are experiencing due to trade retaliation resulting from the Trump Administration’s imposition of steel and aluminum tariffs.

“The dairy-specific financial assistance package provided by USDA – centered on an estimated \$127 million in direct payments – represents less than 10 percent of American dairy farmers’ losses caused by the retaliatory tariffs imposed by both Mexico and China.

“The price drop resulting from these tariffs has not been gradual – it’s hurting U.S. dairy producers right now and will continue to do so. Since the retaliatory tariffs were announced in late May, milk futures prices have lost over \$1.2 billion through December 2018. Milk prices for the balance of the year are now expected to be \$1.10-per-hundredweight lower than were estimated just prior to the imposition of the tariffs on U.S. dairy exports.

“In addition, a [new study by Informa Economics](#) on the impact of the retaliatory dairy tariffs projects dairy farmer income will take a hit of \$1.5 billion this year if the tariffs remain in place through the end of 2018. This loss compounds to \$16.6 billion if the tariffs are left in place long term over the next five years, through 2023. The impact of lost sales to China account for most of that harm, accounting for 73 percent of the total. That sizable decline in farmer incomes will compound the low prices and financial losses that dairies have already felt.

“Dairy farmers are particularly vulnerable to downward price swings because, unlike crop farmers who harvest once a season, dairy producers harvest and market their product daily. If farmer incomes continue to suffer as projected, we will lose more farms.

“We appreciate that USDA has been seeking ways to help producers weather these volatile economic times. The product purchase program and the Trade Promotion Program are important elements of the overall package, and we will continue working with the department to best accomplish our shared goals of supporting dairy farmers’ prices in light of the harm caused by retaliatory tariffs. Although

there may be a second direct aid package at the end of the year, dairy producers are greatly disappointed that the farmer aid portion of today's trade relief package does not adequately address the harm done to dairy.

“Given today's other news that the Trump Administration has reached a trade deal with Mexico, we are repeating our request that the administration provide relief to farmers by restoring normal trading conditions so that our product exports to Mexico – as well as to China – are not penalized by retaliatory tariffs. In addition, we believe it's essential that the administration also pursue the opening of new market access opportunities through trade agreements that expand U.S. dairy exports. Those steps on trade would pay meaningful dividends to our farmers.”

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