



News Release

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

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NMPF Asks USDA to Provide Assistance to Dairy Farmers Struggling from Global Milk Price Depression

ARLINGTON, VA – As America's dairy farmers endure the lowest milk prices since the Great Recession of 2009, the National Milk Producers Federation today asked the U.S. Department of Agriculture to provide a measure of relief by purchasing at least \$100 million worth of cheese products for donation to the needy – a measure that would help both farmers, and food insecure Americans who patronize food banks.

[In a letter sent Friday](#) to Agriculture Secretary Tom Vilsack, National Milk urged the department to use all of its available authorities to purchase \$100 to \$150 million of cheese. NMPF asked USDA to utilize its Section 32 program, as well as additional authorities through the Farm Service Agency, the Food and Nutrition Service, and the Commodity Credit Corporation.

"Dairy producers here in the United States need assistance to help endure this 18-month depression in milk prices," said Jim Mulhern, NMPF President and CEO. "This type of assistance would both help economically-strapped farmers, and also help those without ready access to nutritious dairy products."

A cheese buying program of up to \$150 million would allow for the distribution of as much as 90 million pounds of cheese to nonprofit food banks. Donating this quantity of cheese would remove the equivalent of almost 900 million pounds of milk from the domestic commercial market and strengthen farm-level prices by about \$0.16 per hundredweight over the course of a year, increasing the incomes of all U.S. dairy farmers by approximately \$380 million.

Global dairy demand has sagged in the past two years, due primarily to a reduction in purchases by China and Russia. Meanwhile, a global rise in milk production – particularly in Europe, where production quotas were removed last year – has led to a worldwide imbalance between supply and demand, pushing prices down for farmers around the world. U.S. dairy exports have slumped, leading to a large domestic buildup of American-type cheese (between 2014 and 2016, U.S. cheese exports dropped by almost 20 percent).

The current national price for farmers' milk is \$14.50 per hundredweight, or \$1.25 per gallon, the

lowest price since October 2009, NMPF's letter said. The cost of purchased feed has risen recently, producing a Margin Protection Program (MPP) margin of \$5.76 per hundredweight for the May-June period, the lowest bimonthly margin since MPP began.

Also in the letter, NMPF once again reiterated its desire to work with USDA to make necessary improvements to MPP, the dairy safety net program created out of the 2014 farm bill. Limitations of the program approved by Congress have caused few producers to sign up for coverage at levels that will provide sufficient support this year, and NMPF hopes to work with Congress and USDA in the future to alleviate the issue.

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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 the majority 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.