



News Release

2101 Wilson Blvd., Suite 400, Arlington, VA 22201
703.243.6111 • www.nmpf.org

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

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Contact: Christopher Galen
(703) 243-6111 ext. 356
E-Mail: CGalen@nmpf.org

NMPF Chairman, President Discuss Actions Taken to Combat Dairy Crisis at Annual Meeting

GRAPEVINE, TX – In their joint address Wednesday to the membership at NMPF's 2009 Annual Meeting, NMPF Chairman Randy Mooney and President & CEO Jerry Kozak discussed the multitude of actions taken by the organization in the past year to counteract the economic recession facing dairy producers, and also provided updates on other industry issues.

As they took turns speaking, Mooney and Kozak explained why NMPF took the previous USDA administration to court last December, winning a legal battle that prevented USDA from selling surplus milk powder to the lowest bidder.

"The reason why USDA's effort had to be stopped is that the Farm Bill that passed last year specifically said that USDA can't sell any surplus dairy products it has purchased for less than 110 percent of the purchase price," Kozak noted. "The USDA was considering circumventing that law by giving the powder to a third party to auction at a lower price."

The interaction between NMPF and the new USDA administration in 2009 has been very collaborative, and NMPF credited Secretary Tom Vilsack for his commitment to helping the dairy industry. Mooney and Kozak said that of NMPF's list of items brought before USDA in the beginning of the year, all were accomplished. Those included:

- Liquidating the surplus buildup of 200 million pounds of nonfat milk powder to prevent it from hindering price recovery on the market;
- Reactivating the Dairy Export Incentive Program (DEIP) to help sell more than 900 million pounds of products overseas;
- Raising the price support levels temporarily; and
- Buying cheese products for consumers, which Congress ultimately funded as part of a \$350 million dairy aid package.

Mooney and Kozak continued by touching on other issues NMPF worked on in 2009. They noted that NMPF has been supporting the long-standing effort to establish tariffs on imports of Milk Protein Concentrate and casein, and has urged USDA to impose the checkoff on dairy imports.

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Last month, NMPF realized a victory with USDA's announcement that it would put restrictions on the economic exemption enjoyed by the largest producer-handlers.

Immigration and climate change have been important topics, and NMPF has been active on Capitol Hill to stay involved in those high-profile issues. Animal care is becoming a more visible issue in the dairy industry, and that's why the new National Dairy FARM (Farmers Assuring Responsible Management) Program will show "our ongoing effort to publicly demonstrate the commitment that farmers have to animal care," Mooney said.

Cooperatives Working Together (CWT) had its busiest-ever year in 2009, with three herd retirements. CWT demonstrates to the rest of the country that dairy farmers have been trying to help themselves, and that effort has been met with success. Kozak remarked that "without CWT, it would have taken another six months of 10 dollar milk prices" to bring equilibrium in production and consumption.

The biggest issue discussed by Mooney and Kozak centered on NMPF's Strategic Planning Task Force and its Foundation for the Future. Mooney said: "The Foundation for the Future represents a great deal of thoughtful input about where our industry needs to go in the future. In addition to considering how to make CWT even more effective, including the need to bolster its participating level, the other elements of the Foundation represent nothing more than common sense about changes we need."

The Foundation is still a work in progress, but would include reform of the existing dairy safety nets, as well as the Federal Order system.

The full text from Mooney and Kozak's joint speech is available on the [NMPF website](#).

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. The members of NMPF's 30 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. Visit www.nmpf.org for more information.