



News Release

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

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NMPF Applauds Expansion of Dairy Price Support Program to Help Farmers Bolstering USDA Safety Net Program Will Help Improve Farm Prices at Critical Time

ARLINGTON, VA – Five weeks after the National Milk Producers Federation asked for additional economic assistance for struggling dairy farmers, the U.S. Department of Agriculture has agreed to expand the Dairy Product Price Support Program in a way that should boost farm-level income.

In a decision announced Friday by Agriculture Secretary Tom Vilsack, the USDA said it will temporarily increase purchase prices for cheese and nonfat dry milk. The prices will rise from \$1.13 per pound for block cheese to \$1.31; barrel cheese, from \$1.10/lb. to \$1.28; nonfat dry milk powder, from \$0.80/lb. to \$0.92.

"Once again, Agriculture Secretary Vilsack has used the tools at his disposal to help dairy farmers cope with the extreme drop in farm-level prices, and we appreciate his hard work on our members' behalf," said Jerry Kozak, President and CEO of NMPF.

The new levels, which will be imposed as of Aug. 1st and expire after Oct. 31st, are higher than those requested by NMPF on June 26th. NMPF had asked that the USDA raise purchase prices for block and barrel cheese by six cents a pound, and for nonfat dry milk by four cents a pound. Higher product prices will translate into higher farm-level prices, according to NMPF. The USDA estimates this will raise farmer income by \$243 million.

"This step by USDA to raise farm-level milk prices comes at a critical time, and is yet another important effort the agency has made to help dairy farmers survive the worst recession in their lifetimes," said Kozak.

Under the Dairy Product Price Support Program, the USDA serves as a buyer of last resort to help clear commodity dairy markets during periods of exceptionally low farm-level prices. NMPF had worked during passage of last year's Farm Bill to revise the price support program to allow the agency to boost individual dairy product price levels, such as the cheese and powder prices raised today.

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In addition to thanking the USDA, Kozak also cited the efforts of many members of the Senate and House, who had also called on the USDA recently to ask for a boost in price support levels.

“Elected officials understand that an important part of their constituency, and often a forgotten part, is truly suffering right now because of the recession,” he said. “We appreciate the attention this issue has gotten in Washington at USDA and in Congress.”

Kozak said that USDA has already taken several other important steps to help farmers in 2009, including liquidating 200 million pounds of surplus milk powder, reauthorizing the Dairy Export Incentive Program, and expediting the payments under the Milk Income Loss Contract program.

“Secretary Vilsack and his staff have been extremely responsive to the crisis on dairy farms, and will look forward to continue working with the USDA to help address the pain that producers are feeling,” Kozak said.

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 31 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.