

June 19, 2012

Dear Senator,

As you debate the 2012 farm bill this week, we need you to understand the serious financial crisis that is being experienced by the majority of dairy farmers across the United States.

According to the Economic Research Service, (ERS) a division of the USDA, the National Average Cost of Producing milk is \$21.54 per hundred weight (cwt). Prices paid to dairy farmers across the United States have been falling drastically by nearly \$6.00 per cwt under the National Average Cost of Production (60 cents per gallon). These figures certainly explain the precarious financial predicament that dairy farmers are experiencing. Something has to be done, and done soon.

The dairy proposals in S. 3240, the 2012 Farm Bill, are totally inadequate to solve the dairy farmers' problems. Dairy farmers and the US government should not be compelled or encouraged to pay for insurance policies that will cover some of the dairy farmers' potential or actual losses. We don't find anything in the 1937 Agriculture Act that would suggest or compel the US Congress to implement insurance policies. What we do see are strong recommendations for the Secretary of Agriculture to implement a pricing formula that considers the dairy farmers' costs of operating the dairy farm.

The undersigned organizations request that the dairy proposals contained in the 2012 Farm Bill be changed. This includes striking any language that compels the US government to subsidize insurance programs to cover some of the losses that will be experienced by dairy farmers and we oppose language that requires dairy farmers to purchase additional insurance policies as well.

There is a fair and equitable way to price milk to the dairy farmers. We strongly urge all members of the US Senate to take a look at the pricing formula in the Federal Milk Marketing Improvement Act (S-1640). This formula would be fair to all dairy farmers across the United States; S-1640 would allow milk processors to know the price they would pay for milk in advance. Equally important is that S-1640 would keep consumer prices to levels no higher than those in 2008 and part of 2011. The current dairy proposals that are being considered by the Senate contain a voluntary supply management program which in our opinion will not work; again, we suggest the supply management program contained in S-1640 should be implemented in the Farm Bill. This would be done without costing the US Treasury any funds.

It is time for the US Senate to take action to rectify the critical mess that the dairy farmers are experiencing. We urge all Senators to carefully consider our suggestions.

Let's stop the financial bleeding and cease using government subsidies as a potential remedy to correct the financial woes that beset our dairy farmers.

Please remember, the Farm Bill must be constructed to include all dairy farmers in the US who are in the Federal Orders, State orders and unregulated areas. On behalf of family dairy farmers who are trying to survive and thrive in our rural communities, we urge you to take swift action to implement policies based on fairness and cost of production.

Sincerely,

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American Raw Milk Producers Pricing Association (<i>WI</i>)	(888) 276-7720
Bottle Run Grange (<i>Lycoming County, PA</i>)	(570) 584-2324
CA Dairy Campaign (<i>Turlock, CA</i>)	(209) 632-0885
CA Dairy Women's Association (<i>Turlock, CA</i>)	(209) 632-7225
California Farmers Union (<i>CA</i>)	(209) 632-0381
Fairdale Grange (<i>Susquehanna County, PA</i>)	(570) 278-2543
Family Farm Defenders (<i>Madison, WI</i>)	(608) 260-0900
Farm Wives' United (<i>NY</i>)	(315) 497-1476
Missouri Farmers Union (<i>Clarence, MO</i>)	(573) 659-4787
National Dairy Producers Organization (<i>Fresno, CA</i>)	(949) 290-1290
National Family Farm Coalition (<i>Washington, DC</i>)	(202) 543-5675
Nebraska Farmers Union (<i>Lincoln, NE</i>)	(402) 476-8815
NY State Grange (<i>Courtland, NY</i>)	(607) 756-7553
Progressive Agriculture Organization (<i>PA</i>)	(570) 833-5776
South Auburn Grange (<i>South Auburn, PA</i>)	(570) 313-7209
United North Country Bargaining Co-op (<i>Alexandria Bay, NY</i>)	(315) 482-9046
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