

National Farmers

News Release

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Note for Editors: Tables and Graphs Available for Data Upon Request

For Immediate Release

National Farmers proposes Family Dairy Farm Relief Act

(AMES, Iowa) Feb. 25, 2019 —National Farmers, which markets milk for dairy producers, is proposing the Family Dairy Farm Relief Act, creating an emergency program aimed at bridging the \$4.21 per hundredweight difference in operating costs between the smallest of family-size farms, those milking 50 cows, and larger operations.

The current dairy price crisis, now in its fourth year, affects all dairy farmers of every scale. However, the financial pressure of the dairy price crisis is increased for smaller farms, which don't have the purchasing power of larger operations, or other advantages scale provides. "While we appreciate past efforts by Congress to help dairy farmers, opportunities for family-size farmers requires special programs now," said National Farmers President Paul Olson.

National Farmers is seeking congressional support and sponsors for proposed legislation that would level the economic playing field for family-size farms. "The Family Dairy Farm Relief Act would create a short-term bridge program, as the industry moves to a more market-centered solution not requiring federal funds," Olson said. "We've developed this proposal based on the proven program established in the state of Maine."

In 2004, the state of Maine acted to protect its family-size dairy farms with a similar project and the Maine Dairy Relief Program stabilized Maine's dairy farm sector. National Farmers modeled its proposal and bill after Maine's effort, shown to be effective by a 2010 study by the Maine Department of Agriculture, Conservation and Forestry.

For farms with a 50-99 head milking herd, the cost of production disparity is \$3.18 per cwt., for those with 100-199 head, the difference is \$2.62 per cwt., and 200-499, \$2.32 per cwt. Under the Family Dairy Farm Relief Act, smaller farms would receive higher payments per cwt., but those operations have less milk to compensate for price-wise. "As milking herd size increases, more pounds of milk would be covered in the resulting

program, but the payment for each hundred pounds of milk is less,” said Dick Bylsma, National Farmers dairy marketing director. “All but the very largest of farms is included in the emergency funding, because the price crisis is negatively impacting producers of every scale.”

From 2000-2017, the U.S. lost 42 percent of farms with 100-199 dairy cows, 60 percent with 50-99 cows and 75 percent with fewer than 50 cows in their milking herds. And since 2012, the number of farms with 2,000 cows or more has grown by nearly 20 percent, according to Dr. Pete Vitaliano, National Milk Producer Federation economist.

Long-term, National Farmers has proposed market-based structure management in the dairy industry, but time is critical for producers. For example, in Wisconsin alone hundreds of farms shut down in 2018. Olson said, “Many family dairy farmers can’t wait until a longer-term program can be put in place. National Farmers has always represented family farmers, and this dairy concern puts undue pressure on farmers and the rural economy. We need an emergency relief program, the Family Dairy Farm Relief Act, which can be put in place relatively quickly.”

National Farmers markets milk, livestock and crops for thousands of American agricultural producers. We offer six decades of experience representing farmers and ranchers, and grouping production from many ag operations. We help producers market together. National Farmers’ experienced marketing professionals negotiate on conventional and certified organic farmers’ behalf in cash and contract sales, establishing commodity sales terms with the farmers’ interests in mind.

National Farmers also provides access to today’s sophisticated risk management tools for commodities. We guide producers of many operation sizes through the process of using forward contracts, and put and call options. We also represent farmers and ranchers with government regulatory agencies and departments to help provide equity in policy and agricultural industry transactions. For more information about National Farmers, visit nationalfarmers.com or call 800.247.2110.

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