



September 21, 2016

The Honorable Thad Cochran, Chairman  
Committee on Appropriations  
S-128, The Capitol  
Washington, DC 20510

The Honorable Barbara Mikulski, Vice Chairman  
Committee on Appropriations  
S-128, The Capitol  
Washington, DC 20510

The Honorable Jerry Moran, Chairman  
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies  
S-128, The Capitol  
Washington, DC 20510

The Honorable Jeff Merkley, Ranking Member  
Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies  
S-128, The Capitol  
Washington, DC 20510

Dear Senators Cochran, Moran, Mikulski, and Merkley:

I write on behalf of nearly 200,000 members of the National Farmers Union (NFU) who are engaged in all forms of farming and ranching. NFU has become increasingly concerned with the immediate and long-term impacts of declining net farm income over the last several years especially within our nation's dairy sector.

As part of the 2014 Farm Bill, congress created the Margin Protection Program (MPP) in an effort to provide a cost-effective, yet meaningful, safety net that would aid producers in times of low margins. The concept, while good in theory, has not performed as expected during its first two years. Changes are necessary to correct such shortcomings related to the feed ration, a realignment of the premium structure, and a host of other program aspects. Despite the need for changes, we recognize that the timeframe is best left within the context of the reauthorization debate of the next farm bill.

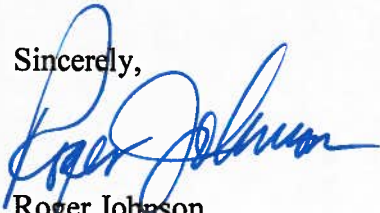
In the meantime our dairy producers are left without an effective safety net. Dairy prices have declined an estimated \$20 billion since 2014, leaving producers struggling to stay in business.

Across dairy producing regions of the country we are seeing family farms go out of business daily. In New Hampshire 16 percent of the state's dairy operations have gone out of business this year, in Wisconsin an average of two farms a day are going out of business, and in California 56 dairy farms went out of business in the first five months of 2016. To make matters worse over the last ten years more than 18,000 dairy farms in the United States went out of business. We can no longer dismiss these closures as simply weeding out of inefficient operations. These businesses were sophisticated operations, but simply could not cope with high levels of volatility, low prices, and a range of other challenging factors.

As you look to fund the government during the December timeframe, we ask that you consider the needs of American dairy farmers. This constituency is in desperate need of financial assistance, so that they might make it to the next farm bill, where underlying and constructive changes can be made to the safety net. NFU requests that your committee consider removing funding prohibitions placed on clause 3 of Section 32 of the Agricultural Adjustment Act, Section 5 of the Commodity Credit Corporation Charter Act related to surplus removal activities, or authorize the U.S. Department of Agriculture (USDA) to refund 2015 MPP premiums, which totaled \$73 million. Providing the USDA additional authority to assist producers when necessary is critical for the wellbeing of American farmers.

We know you fully understand these issues and appreciate your support for those looking to navigate times of financial distress. We appreciate the difficulty of the request made above, but we urge you to compare it to the difficulty dairy producers face today. Thank you for your consideration.

Sincerely,



Roger Johnson  
President