



August 8, 2016

The Honorable Tom Vilsack  
1400 Independence Ave. SW  
Washington, DC 20250

Dear Secretary Vilsack,

I write today out of concern for America's dairy producers. As you well know, the economic condition of the dairy sector has been on the decline over the last two years and faces an equally grim forecast moving forward. National Farmers Union (NFU) urges the U.S. Department of Agriculture (USDA) to use existing authority to aid dairy farmers during these difficult times.

From California to Maine, dairy producers are struggling to cope with low prices, precipitous declines in net farm income, and a glut of dairy products within domestic and international markets. Production in the U.S. continues to increase, with a two percent rise over last year. Equally challenging are the effects that come from a stronger dollar and reduced demand from China, as well as losses of markets like Russia. These, and other factors, have driven prices to levels that are putting significant stress on our members.

U.S. dairy producers are also struggling with challenges associated with the Margin Protection Program (MPP). Our members, who have invested heavily in this program, have derived very little benefit despite prices well below the cost of production. As we work with Congress to address this challenge, immediate assistance is required for the viability of American dairy producers.

NFU requests that the USDA use its authority under the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) and Section 32 of the Agricultural Adjustment Act of 1935 (7 U.S.C. 612c), to protect all of our nation's dairy farmers from further crisis. NFU encourages USDA to take any and all actions available that will directly support U.S. dairy farmers, while being cautious to not stimulate overproduction further.

U.S. dairy farms are an important segment of our nation's economy. As one of the world's largest dairy producing nations, the industry provides roughly \$140 billion in economic output, \$29 billion in household earnings, and more than 900,000 jobs. It is critical that the USDA take action to alleviate, in part, the challenges that tens of thousands of struggling dairy producers face today.

I thank you for your attention in this matter and look forward to working with you for the benefit of our nation's dairy producers.

Sincerely,

Roger Johnson  
President