

October XX, 2016

The Honorable Thad Cochran
Chairman
Senate Appropriations Committee
Washington, DC 20510

The Honorable Barbara Mikulski
Vice Chairwoman
Senate Appropriations Committee
Washington, DC 20510

The Honorable Jerry Moran
Chairman
Senate Appropriations Subcommittee
on Agriculture, Rural Development,
Food and Drug Administration and
Related Agencies
Washington, DC 20510

The Honorable Jeff Merkley
Ranking Member
Senate Appropriations Subcommittee
on Agriculture, Rural Development,
Food and Drug Administration and
Related Agencies
Washington, DC 20510

Dear Chairman Cochran, Vice Chairwoman Mikulski, Chairman Moran and Ranking Member Merkley:

We write to urge you provide critical assistance for our nation's dairy farmers in appropriations legislation for Fiscal Year 2017.

As you know, dairy farmers across the country are struggling to stay in business. This year alone, dairy farms in a number of states have been forced to close at alarmingly high levels. Milk prices have dropped by more than 40 percent over the past two years, and the U.S. Department of Agriculture (USDA) predicts low prices to continue for the near future. Dairy production costs continue to rise, and severe drought in some regions of the country has driven these costs up further.

To make matters worse, Congress has severely restricted the Secretary of Agriculture's ability to respond to this crisis. The Dairy Margin Protection Program (DMPP) has not provided the safety net for farmers that was anticipated when the program was created. There is widespread recognition that this program is not working and must be reformed, but our dairy farmers cannot wait for several years until a new Farm Bill is enacted. Many more will go out of business in the next year if immediate support is not provided.

Despite current budgetary constraints and the need for future statutory changes, we believe that there are key measures that can be taken in appropriations legislation for FY17 that will provide critical near-term support to dairy farmers and pave the way for longer-term sustainability in the industry.

Most important, we respectfully request that spending legislation for FY17 not include any provision preventing the USDA from implementing clause 3 of Section 32 of the Agricultural Adjustment Act of 1935 or from engaging in surplus removal or price support activities under

section 5 of the Commodity Credit Corporation Charter Act. Such provisions currently limit the Secretary of Agriculture's ability to provide emergency support to dairy farmers. Lifting this ban would allow the Secretary more flexibility to respond to the current crisis.

We further request that \$3 million within the budget of the National Agricultural Statistics Service (NASS) be designated for a survey of average feed costs by state. NASS estimates that such a survey will take 18-24 months, so it must begin this work as soon as possible in order for its results to be ready when Congress considers the next Farm Bill. Accurate information on regional variation in feed costs is critical for designing a program that better supports small and family farms in all regions of the country.

Additionally, we ask that the Committee explore the feasibility of aiding farmers who paid \$73 million into the DMPP in 2015. We understand that a refund of this amount may be difficult, but we hope that the Committee can understand the frustration and disillusionment of cash-strapped farmers who lost thousands of dollars expecting financial support that was never provided. We would appreciate ongoing work and dialogue to explore solutions going forward to help these farmers.

Thank you for your consideration of these important requests. We stand ready to work with you to help our nation's dairy farmers during this crisis.

Sincerely,