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FarmFirst Asks USDA to Increase Trade Mitigation Payments for Dairy

Madison, Wis. [November 9, 2018] – FarmFirst Dairy Cooperative sent a letter to Secretary Perdue today on behalf its dairy farmer members across the Midwest, requesting that the mitigation payments to U.S. dairy farmers more accurately reflect the cost of the retaliatory tariffs placed on U.S. dairy products.

“We appreciate your effort to implement a trade mitigation package to support dairy farmers recognizing the harmful effects these retaliatory tariffs have on farmers,” John Rettler, cooperative president, states in the letter. “However, that mitigation package calculates only \$127 million in payments to dairy farmers, or \$0.12/cwt on one-half of annual production.”

Recent studies have shown that the cost to U.S. dairy farmers is far greater than what the USDA is currently calculating. In fact, the USDA’s own World Agricultural Supply and Demand Estimates published an estimated loss to dairy farmers of \$1.5 billion.

“Your dedication to improve market access for America’s farmers is consistent with our desire to derive farm income from the domestic and global marketplace,” the letter reads. “Dairy farmers have endured exceptionally low milk prices over the last several years. Specifically, 18% lower from 2015 to 2017 compared to the average price farmers received from 2011 to 2014. Farmers were managing through this low point and believed the markets would come around.”

The opportunity for dairy farmers to recover from these low prices was spoiled earlier this spring when the dairy markets reacted after these retaliatory tariffs were imposed.

With the potential of a second payment being made later this year by the USDA, FarmFirst Dairy Cooperative is requesting that the calculation be adjusted so that the mitigation plan more accurately represents the financial harm that has been placed on dairy farmers.

“Dairy farmers are independent, strong and savvy when it comes to managing their farms,” says Rettler. “Yet, continued downward market pressure without relief will continue to push several dairy farms out of business, negatively affecting their rural communities and industries that serve them.”

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FarmFirst Dairy Cooperative, established in 2013 and based in Madison, Wis., represents farmers in Wisconsin, Minnesota, South Dakota, Michigan, Iowa, Illinois and Indiana by providing legislative and regulatory advocacy, dairy marketing services, disaster protection, laboratory testing opportunities and industry promotion. FarmFirst Dairy Cooperative is a merger of three long-time prominent Wisconsin-based cooperatives.

View the Full Press Release online, [here](#). View a full copy of the letter submitted to the FDA, [here](#).

Access cooperative logos and photos, [here](#).