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FarmFirst Dairy Cooperative Urges Immediate Action by Secretary Perdue For More Dairy Farmer Support

Madison, Wis. [April 3, 2020] – FarmFirst Dairy Cooperative joined with other Midwest dairy cooperatives to send a letter to Secretary Sonny Perdue on April 1, urging him to exercise all of his previously existing and new authorities to provide additional means of support for U.S. dairy farmers.

“After five very economically challenging years for dairy farmers, market predictions from USDA and private sources in late 2019 were foretelling a slow improvement in dairy farmer income in 2020 and beyond. However, the COVID-19 pandemic reversed those trends very quickly. Milk and dairy product prices are now in freefall with the bottom nowhere in sight,” the letter states. “Without a substantial intervention by the federal government, pay prices to dairy farmers will quickly fall to levels that are unsustainable, even in the short term, and could lead to a drastic loss in dairy farms.

The letter was sent by Midwest Dairy Coalition, a group of dairy cooperatives based in the Midwest working together to represent the interests of their dairy farmer members. Midwest Dairy Coalition members urged Secretary Perdue to initiate a strategic Dairy Product Purchase Plan for donations to food banks and other donation programs, re-open the 2020 sign up for the Dairy Margin Coverage (DMC) program and to make additional accommodations for FSA direct and guaranteed loan borrowers.

“Dairy farmers across the industry are seeking a significant amount of dairy products to be purchased to keep products flowing through the supply chain. Such purchases will benefit dairy farmers as well as their farmer-owned dairy cooperatives by offering a short-term replacement for markets that have been lost as a result of the pandemic-related closure of schools, restaurants and other food service outlet,” says Jeff Lyon, General Manager of FarmFirst Dairy Cooperative. “It is critical that the size, timing and specifications of the dairy product purchases be strategic. With regard to the size of the product purchase announcement, the quantity of the products purchased must be commensurate with the loss in dairy product sales related to the pandemic.”

Reopening the 2020 sign up for the DMC program would allow many farmers who made decisions based on 2020 dairy futures forecasts the chance to receive some coverage from the markets that have taken a very sudden and drastic downturn. In addition, the relaxation of procedures on direct and guaranteed loans is much appreciated, the coalition urges for additional emergency measures.

“These have been extraordinary and unforeseen changes in dairy markets that have negatively impacted the entire industry, from the farm gate to the dairy case at the grocery store,” says Lyon. “Everyone is reeling, attempting to adjust to our current situation and to do so quickly. Right now, dairy farmers are concerned about not having sufficient cash flow to keep their farms operating, which is why we urge the Secretary to consider additional emergency measures, such as loan deferrals or even debt write-down actions, in light of the severity of impact on farm income due to this pandemic. Reopening the sign up for the DMC allows dairy farmers to also utilize a tool that is meant to perform in times like these.”

For a full copy of the letter sent by Midwest Dairy Coalition, please visit www.FarmFirstDairyCooperative.com, or click [here](#).

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. Learn more about FarmFirst Dairy Cooperative by visiting: www.FarmFirstDairyCooperative.com.

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