



May 30, 2018

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
14th and Independence Ave, SW
Washington D.C. 20250

Dear Secretary Perdue:

The Bipartisan Budget Act of 2018 included important provisions to strengthen the safety net for our nation's dairy farmers. These changes are particularly critical at this time of economic hardship in the dairy industry.

One of those provisions was to establish new parameters under the Margin Protection Program (MPP) to reduce premium costs, particularly for small-and medium-scale dairy farmers, and to simplify the payout calculations by using monthly calculations, instead of 2-month averages.

In February of this year we wrote to urge you to make the sign up period for the revised MPP retroactive until January 1st. We greatly appreciated that you did exactly that.

We are now writing to urge you to extend the sign up period by a few weeks in order to provide full opportunity for dairy farmers to sign up for this important safety net during this difficult time.

In the Upper Midwest, the spring planting season arrived very late. Farmers remain in the fields planting, while also focusing their attention on cutting first crop alfalfa. We believe this high amount of fieldwork activity has dampened MPP sign up.

In addition, several misconceptions remain about the revised program. First, because of the difficult economic times for dairy farmers, many have limited available cash. There is a misperception that farmers who sign up for MPP will need to pay their premiums up front before they receive the payout from the program. As a result, their lack of available cash has deterred them from signing up.

Another concern we have heard is that that some farmers believe if they sign up for 2018, they will be required to make a multi-year commitment to the program, as has been the case in the past.

Therefore, we urge you to:

- 1) Announce an extension of the MPP sign up period beyond the current June 1st deadline by at least a few weeks;
- 2) Take steps to dispel misconceptions about the program. Specifically, we urge you to use radio and mailed postcards to clarify that if farmers sign up for the program, 2018 premiums are not due until Sept. 1, 2018, and that 2018 sign up decisions do not bind farmers for future years; and
- 3) Start making payments immediately for farmers who have already signed up for the 2018 MPP, instead of waiting for the extended sign up period to conclude. One of the reasons we advocated for Congress to change the MPP payout based on monthly calculations instead of a two-month average was to achieve a more timely payout closer to the time of economic hardship. The current USDA practice of waiting for the sign up period to conclude before sending out any checks defeats the purpose of the shift to a monthly calculation.

We look forward to continuing to work with you and your staff to improve the economic safety net for our nation's dairy farmers.

Sincerely,



Steven D. Etko
Coordinator
steveetka@gmail.com
1301 Hancock Avenue
Alexandria, VA 22301