



July 13, 2018

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

Dear Secretary Perdue:

For several years, low milk prices have resulted in significant economic stress for dairy farmers and their communities throughout rural America. This has been particularly true in regions, such as the Upper Midwest, where dairy farming is a major economic driver.

On top of the long-term economic stress suffered by U.S. dairy farmers, we have seen a trade-related downward spiral in market prices for cheese and other dairy products over the last month. We appreciate the Administration's leadership in advocating for a more level playing field for U.S. farmers in international trade. Unfortunately, the retaliatory tariffs imposed by our major dairy trading partners, such as Mexico and China, have significantly worsened the economic status of U.S. dairy farmers.

While those who have signed up for the newly-updated Margin Protection Program for 2018 will experience some relief through that program, the extreme market reactions to the ensuing trade war warrant additional and immediate relief for dairy farmers on an emergency basis.

Therefore, we urge you to use your authorities under the Commodity Credit Corporation Charter Act (15 U.S.C. 714(c)) to take immediate action to:

- 1) provide emergency direct payments to all dairy farmers; and,
- 2) make emergency purchases of cheese to stabilize the increasingly volatile cheese markets. Given the wide price spread between barrel and block cheese prices, it would be particularly helpful for the cheese purchase to include a significant amount of barrel cheese. The dairy products purchased should be donated through

food banks and other mechanisms to help low income individuals, without disrupting existing commercial sales.

We believe these requests are in keeping with the President's recent pledges to compensate farmers for the market declines associated with the retaliatory tariffs from our trading partners.

Sincerely,

A handwritten signature in black ink that reads "Steven D. Etko". The signature is written in a cursive style with a large, stylized 'S' at the beginning.

Steven D. Etko

Coordinator

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