CAPITOL HILL BRIEFING ON DAIRY GROWTH MANAGEMENT LEGISLATION

On Thursday, September 12th Dr. Mark Stephenson, Director of Dairy Policy Analysis at the University of Wisconsin, will hold a briefing to discuss encouraging results from recent analyses of federal dairy policies designed to reduce volatility in dairy markets and improve dairy farm profitability. These policies show promise for significantly reducing U.S. government expenditures on dairy programs, improving milk prices and net farm income and curbing farm loss. **Over the past 4 years, 7,339 dairy farms have gone out of business in the United States**. With important implications for the nation's dairy farmers, dairy consumers, and taxpayers, this is a briefing Members of Congress and staff won't want to miss.

This event is hosted by Wisconsin Farmers Union, California Dairy Campaign, California Farmers Union and many other organizations that support supply management.

Congressional Sponsors include Wisconsin members:
Senator Tammy Baldwin
Representative Mark Pocan, D-2
Representative Gwen Moore, D-4
Representative Glenn Grothman, R-6

Date: Thursday, September 12, 2019
The same program will be offered at two different times and locations:
9-10 AM: House Office Building, Room TBD
11 AM - Noon: Senate Hart Building, Room 902

The analysis concluded that supply management policies debated during the 2014 farm bill would have doubled net-farm income for dairies of all sizes from 2015 to 2019. The potential for farmer-led dairy growth management to restore profitability for dairy producers, proven by the recent analysis, is the most viable way to restore profitability for dairy producers.

California Dairy Campaign (CDC) President Joe Augusto and California Farmers Union (CFU) Vice President George Davis will fly to Washington, DC September 8th to the 12th to participate in the National Farmers Union (NFU) Legislative Fly-In. Augusto and Davis will join NFU members from around the country to call on Congress to pass dairy supply management legislation to restore and sustain profitability for dairy producers. **CDC is calling for a three-legged milk stool plan which includes: fair milk prices, farmer-led supply management and smart dairy trade policy.** Under supply management or growth management, dairy producers will continue to have the ability to grow their operations, but increases in milk production will ***be more responsive to changes in market demand.***

SUPPORT IS GROWING FOR DAIRY PRODUCER PETITION IN SUPPORT SUPPLY MANAGEMENT

Support is growing among dairy dairy producers to call on Congress to pass dairy supply or growth management legislation is by signing the **Dairy Producer Petition in Support of Farmer-led Dairy Supply Management**.

The web site for the petition is:
www.dairysupplymanagement.com

The petition states: The undersigned dairy producers support farmer-led milk supply management policies to achieve PROFITABLE and SUSTAINABLE MILK PRICES.

Link to Sign Petition:
https://www.dairysupplymanagement.com/

OR PRINT AND SIGN THE PETITION AND SEND BACK TO US

The petition is linked **here.**

Sign and send back a copy of the petition to us at:
California Dairy Campaign
325 Mitchell Avenue
Turlock, CA 95380
Fax: 209-632-0706
Email: cdc@californiadairycampaign.com

WATCH THE 13-MINUTE VIDEO

Members of Congress are invited to watch a **13-minute video** on supply management and attend a dairy supply management briefing on September 12, 2019, in Washington, DC. The locations for the briefings are being finalized, but ask members and staff to save time on their calendars for September 12, 2019.

The link for the **13-minute video** is located at the Program on Dairy Markets and Policy **web site linked here** and includes a discussion of the analysis by Stephenson and Nicholson describing how supply management policies have the potential to improve milk prices and net farm income, stabilize milk prices and decrease taxpayer expenditures.

Exports are Not the Answer: Data Shows Increasing Dairy Exports has Little Impact on Milk Prices

Growth in export markets has long been lauded as the measure of success in American agriculture. Last year U.S. Secretary of Agriculture Sonny Perdue credited exports for being a “major driver of the rural economy, generating 20 percent of U.S. farm income and supporting more than a million U.S. jobs.” Those statistics are true, but they conceal a hidden truth that most farmers know first-hand: exports don’t actually bring better prices. In dairy, exports have reached historic highs - now topping 15% of the total U.S. milk supply - but that growth has failed to provide farmers a livable wage.

In a recent Dairy Together webinar, Cornell economist Chuck Nicholson explained, “price impacts of export growth tend to be limited. One of the reasons for that is the milk supply response. If we have opportunities to sell more product,

typically the industry can respond fairly readily." In other words, opening new markets generates demand in the short term, but farmers quickly ramp up supply right along with it. Any price increase is quickly neutralized.
Nicholson's analysis shows that for every 1% increase in dairy components exported, the All-Milk price increases by only 10 cents.

Despite the limited impact on milk prices, the U.S. Dairy Export Council aims for a goal of exporting 20% of the U.S. milk supply, a 5% increase from 2018 levels. U.S. Dairy Export Council (USDEC) claims that export growth benefits everyone in the industry: farmers, consumers, and everyone involved in the complex dairy supply chain. But Nicholson suggests that may not be the case:
"The primary benefits will go to farms that are growing because they are the ones that will be supplying that additional product that goes into export markets. Other benefits will go to supply chain partners like the processors and exporting companies that are also part of facilitating trade flows of dairy products outside the U.S."

Exports do contribute to farm income, but the profits are not distributed equally among dairy farmers or throughout the supply chain. Nicholson explains the income distribution issue this way: "The average milk price does not increase that much by increasing exports. So farms that are not growing are going to see milk revenues that look a lot like the revenues we would see if we weren't exporting very much. The place where there is a difference is farms that are growing will see a larger demand for their milk. The benefits are not higher prices, but bigger quantities."

That's why many farmers feel pressured to expand their operations to stay afloat. But others cannot or do not want to manage a large dairy operation. For them, higher prices are the only way to stay in business. Since the price bottomed out in 2014, 7,339 U.S. dairy farms have called it quits. If we want to save the 37,000 dairy farms that remain, as well as the rural communities they support, we need higher prices. And if higher prices are the goal, then exports are not the answer.

To bring real prosperity to dairy farmers and rural communities, we need a national system to balance milk supply with profitable demand. Visit www.dairytogether.com to learn more about the grassroots movement to bring fair prices to family farmers. *(Source: Dairy Together) California Dairy Campaign has been working with Dairy Together since early 2018 to call for dairy policy reform to enable dairy farmers to manage milk production to meet profitable market demand.)*

**For More Information
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Lynne McBride**

**California Dairy Campaign
California Farmers Union**

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Email Us

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For More Information Visit our Web Site