



March 31, 2020

The Honorable Sonny Perdue  
Secretary  
United States Department of Agriculture  
1400 Independence Avenue, SW  
Washington, D.C. 20250

Dear Secretary Perdue,

Our four states represent about 4,000 dairy farms, or about 11% of the nation's dairy farmers. As we all continue to adapt to the impact of COVID-19, it is clear one of the agriculture sectors with greatest impact is our dairy industry. With schools, universities and restaurants closed in many parts of the country, the use of cheese for foodservice – much of which comes from our Upper Midwest states – has plummeted.

**Make additional CCC dairy product purchases** Like NMPF, we urge the Department to make a substantial purchase of multiple forms of dairy products under Section 32. In our states, there are a number of processors making barrels and other foodservice focused products that have not been sold. If we could fulfill what these processors usually send to retail to our friends at food banks, it would help both the market and those experiencing sudden food insecurity.

**Provide payments to dairy farmers similar to MFP** On the milk side, a 100-cow dairy farm went from a potential \$25,000 profit in January to a \$30,000 projected loss in March for 2020. While there are programs that can help fill the gap, neither the Dairy Margin Coverage (DMC) program nor Dairy Revenue Protection can (nor were designed to) make whole the loss. As you know, in both programs farmers can only cover about 90% of their production. Further, those farms with 300 or more dairy cattle might be most at risk, with diluted use of the DMC program due to the cap limit on pounds of production. U.S.D.A. is likely in the best position to figure the exact economic cost, but NMPF estimates it to be \$2.85 billion as of last week – this week may have doubled that loss.

**Ensure dumped milk is compensated** Some farmers or processing plants may be forced to dump milk due to the loss of markets or to ensure the health of their workforce. We recommend adding pandemics to the WHIP-ML program.

**Consider the loss in beef markets, too** We also stand with our cattle producing friends, in asking for help offsetting the drop in cattle sales revenue. The industry – our nation's largest agricultural livestock sector – has been hurt in recent weeks as packers rake in profits due to changing supply management and logistics systems. Farmers selling cattle have not benefitted from the Market Facilitation Program tranches, and dairy farmers selling market cattle during these turbulent times are included in that. Whether as bull calves or cull cows, the beef prices affect 10 to 20% of dairy farm income.

Due to this double whammy, we ask that you keep dairy farms in mind for The CARES Act, which provides USDA's Office of the Secretary with an additional \$9.5 billion "to prevent, prepare for, and respond to coronavirus." Livestock should be top of mind, and dairy and beef likely are the greatest market impacts within that segment.

We are willing to answer any questions and look forward to working with you as we return our economy to what it can be.

Sincerely,

Iowa State Dairy Association  
Minnesota Milk Producers Association  
Nebraska State Dairy Association  
South Dakota Dairy Producers

CC: Senator Chuck Grassley  
Senator Joni Ernst  
Senator Amy Klobuchar  
Senator Tina Smith  
Senator Deb Fischer  
Senator Ben Sasse  
Senator John Thune  
Senator Mike Rounds

Representative Steve King  
Representative Cindy Axne  
Rep. Abby Finkenauer  
Representative Dave Loebsack  
Representative Ilhan Omar  
Representative Collin Peterson  
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Representative Jeff Fortenberry  
Representative Dusty Johnson