



## MINNESOTA MILK PRODUCERS ASSOCIATION

Phone: 763-355-9697  
E-Mail: [mmpa@mnmilk.org](mailto:mmpa@mnmilk.org)  
Web: [www.mnmilk.org](http://www.mnmilk.org)

CONTACT: Lucas Sjostrom  
(320) 249-8701  
[Lucas@MNMilk.org](mailto:Lucas@MNMilk.org)

April 29, 2020 – FOR IMMEDIATE RELEASE

### **Dairy farmers and consumers need quick help, not government-inflated prices**

About three weeks ago, Minnesota Milk introduced the Dairy CORE Program. CORE, standing for Coronavirus Recovery, gets to the root of the problem – dairy farmers need cash to continue their operations. We are glad to see the Secretary of Agriculture introducing a program that follows many of the Dairy CORE Program proposals, with one-time payments based on already discovered milk prices.

A new proposal has come forth from some in the industry to dramatically alter the Federal Milk Marketing Order system, albeit temporarily. While we all want higher milk prices, but arbitrarily bumping prices to a made-up number could cause more harm than good. People buying milk, both at the processing plant and at the store, may simply decide they no longer need it.

While raising the Class I price would help those in Class I (fluid milk) areas, those farms without most of their milk in Class I would be left behind. While a mandated change in Class I milk price could affect government-related risk management programs, it could also limit hedging on the CME, which would adversely affect market liquidity.

Instead of trying to artificially create a price, we prefer the Dairy CORE Program as below:

- **Distribute one-time Dairy CORE Program payments.** As proposed by Secretary Perdue in the Coronavirus Food Assistance Program (CFAP), we should get these one-time payments out fast. Need for further aid can be evaluated after we spend what is already appropriated.
- **Keep FMMOs the same.** This is not the time to adjust Federal Milk Marketing Orders, nor would an artificial Class I price benefit farmers or consumers in the long run. We need the market to decide where the milk should go, not a government intervention.
- **Raise or eliminate the cap on payments** to something more meaningful. Current caps of \$125,000 per commodity and \$250,000 total are out of touch with the risk undertaken by even small dairy businesses. Further, our friends in the pork industry deserve aid that provides meaningful help to their industry.
  - Our analysis proves that raising the cap in the dairy industry would not dilute payments for smaller farms. Whether the cap is raised or not, everyone would see about \$1.30/cwt of annual production; and that's in the first round that covers 85% of losses Jan 1-Apr 15, and 30% Apr 15-Oct 15.

Minnesota Milk looks forward to continuing discussions about the best form of relief for the dairy industry, including farmers, cooperatives, proprietary processors, retailers and consumers.

**About Minnesota Milk:** Minnesota Milk Producers Association (Minnesota Milk) is a grassroots organization run for and by Minnesota dairy farmers. Celebrating their 42nd anniversary in 2020, Minnesota Milk is guided by a board of 11 diverse dairy farmers from throughout Minnesota. For more information on Minnesota Milk, visit [www.mnmilk.org](http://www.mnmilk.org).

*Advancing the Success of Minnesota Dairy Farms*