

Resolution Establishing an NFU Emergency Dairy Price Committee & Campaign 2016 Special Order of Business

Whereas, U.S. dairy farmers are experiencing an extended period of very low milk prices which, unless corrected, will force thousands of farms out of business; and

Whereas, the current federal dairy price insurance program, the Dairy Margin Protection Program, is unable to provide meaningful relief for farmers during this extended period of low prices and surplus production; and

Whereas, one of the key challenges to be addressed is the tremendous surge in imports of milk powder under the proposed Trans-Pacific Partnership trade agreement which will remove all tariff rate quotas on milk powder, and lead to chronically depressed domestic dairy farm prices; and

Whereas, a coordinated effort by dairy farmers and processor from across the country is needed to push Congress to pass such an emergency dairy program that will address the current crisis and serve as a bridge to the next Farm Bill when a more permanent program can be enacted; and

Therefore, the delegates to the 2016 NFU National Convention direct the NFU board to establish and support a special Dairy Emergency Committee, composed of NFU Dairy Farmers. This committee shall be charged with developing and implementing a campaign to propose and build support for an emergency dairy program. It shall provide an opportunity for dairy farmers in all areas to discuss the program and build support among other farmers and cooperative members. Key areas they may wish to consider and recommend include the following:

- 1) A Reasonable Dairy price setting mechanism that takes into account production costs.
- 2) An incentives-based inventory management program.
- 3) Effective import control measures on Milk Protein Concentrates and other concentrated dairy products. Hold regional hearings to discuss dairy pricing and regional feed costs.
- 4) Call upon the secretary of agriculture to declare an emergency and suspend the Dairy Margin Protection Program, as stated in the last Farm Bill.

It is evident that the Dairy Margin Protection Program trigger levels are ineffective and do not reflect actual on farm margins that are well below production costs nationwide. Given the failure of the program, USDA should refund the millions that dairy farmers paid into the program since 2014 and immediately begin purchases under the Dairy Program Donation Program (DPDP) which is designed to support dairy margins.

The ultimate aim of this committee shall be to build bi-partisan political support in Congress for the program. This effort should engage farmers in working to secure support from both current Congressional representatives and all Congressional candidates in the 2016 elections.