United States Senate

WASHINGTON, DC 20510

July 15, 2009

The Honorable Thomas Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, DC 20250

Dear Secretary Vilsack:

We are writing to request your immediate attention to the current crisis in the dairy sector.

As you know, America's dairy producers are facing the worst prices in nearly 30 years. Dairy farmers from every region of the country are losing money each month which is jeopardizing the long term stability of the industry and the livelihood of thousands of our rural communities. We appreciate your actions to implement the Dairy Export Incentives Program and your recent comments supporting additional lending opportunities for dairy producers. Despite those welcome actions, we believe more aggressive action is needed to halt the current crisis.

As you know, Congress in Section 1501 of the enacted 2008 Farm Bill (P.L. 110-246) updated the Dairy Price Support program to set price floors under individual dairy products (butter, cheese and non-fat dry milk). While specific prices at which USDA is mandated to purchase product were included in the legislation, Congress clearly gave the Department the authority to increase the purchase prices if necessary. We are therefore urging you to temporarily increase the Dairy Price Support program products purchases by a significant level to restore a meaningful safety net for America's dairy farmers.

We believe bold and swift action to increase the purchase prices under the Dairy Price Support program is needed to avert a further crisis. During January through April this year, the U.S. all-milk price has averaged $4.80 per cwt. below the U.S. average cash cost of production. And in the months since, dairy farmers have continued to lose significant equity. A meaningful but temporary increase in the Dairy Price Support program will begin to restore farm level prices and help restore producers' ability to produce basic cash flow for their operations during these difficult financial times.

Thank you for your immediate attention to this issue. We look forward to working with you to support America's dairy producers.

Sincerely,

Senator Patrick Leahy

Senator Herb Kohl

Senator Russ Feingold

Senator Bernie Sanders

Senator Charles Schumer

Senator Jeanne Shaheen

Senator Patty Murray

Senator Tim Johnson

Senator Carl Levin

Senator Robert Casey

Senator Arlen Specter

Senator Kirsten Gillibrand

Senator Barbara Boxer

Senator Bill Nelson

Senator Chris Dodd

Senator Amy Klobuchar

Senator Debbie Stabenow

Senator Jack Reed

Senator Tom Udall

Senator Al Franken