



## The Milk from Family Dairies Act - A New Vision for US Dairy



*Photo by Troy Freund.*

Today's dairy policy is a disaster for dairy farmers, rural communities, consumers, the environment, and animal welfare. Profit exceeds production costs for the largest farms, while small farms barely break even or even lose money. Smaller family-scale dairies are being forced out of business every day by volatile milk prices. Lack of federal dairy market regulation forces farmers to scale-up their operation to stay competitive, leading to a vicious cycle in which increased production floods the market with milk and further lowers milk prices – and, in turn, income – for farmers. **Since 2000, 75% of dairy farms have closed for good, unable to stay financially afloat in an increasingly consolidated market. There are only 24,000 dairy farms in the US today.**

Dairy farmers have very little power to negotiate their product pricing. Because fluid milk is so perishable, farmers are highly dependent on a handful of available processors (the companies that bottle milk and make dairy products). The price farmers receive for their milk from processors can vary greatly, and regularly fails to cover the farmer's cost of production, leaving farmers without any profit.

Supply management (balancing supply with demand) and fair pricing policy were key parts of US farm policy in the 1930's New Deal era, and helped many farmers achieve financial success. Since then, supply management and fair pricing policies have slowly eroded away due to the political influence of agribusinesses eager to consolidate market control.

NFFC and our farmer members advocate for a common-sense federal dairy policy that uses supply management and price floors to guarantee farmers fair prices while discouraging overproduction. **NFFC's Milk from Family Dairies Act (MFDA) would ensure transparency and fair prices for family dairy farmers, maintain consumer access to reliable and reasonably-priced dairy products, and revitalize rural areas economically and environmentally.** The MFDA currently exists as a proposal as NFFC and Congressional allies work to turn it into legislative text.



Turn to the next page for more details, and scan this QR code for the full proposal.



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## **How the Milk from Family Dairies Act Works**

- A farmer-led board sets milk prices that are flexible, transparent, and cover farmers' true cost of production.
- Supply and demand are calculated annually, and balanced by establishing a production base for each dairy farmer, equitably determined using a number of contributing factors
- Better trade management, so that farmers both domestic and abroad aren't at risk from milk dumping (undercutting markets with milk that is cheaper than locally-produced milk) in their markets.
- Steps to break up the increasingly consolidated dairy sector and restore market competition.
- Investments in regional dairy infrastructure and training programs that build out the value chains that family dairies need to be competitive and successful.
- Importantly, the Milk from Family Dairies Act is farmer-led and fairly, transparently, and democratically implemented, taking into consideration the diverse needs of dairy farmers. The Act would encourage new farmers to enter the sector, and includes a parallel pricing and supply management system for organic farmers.

## **Benefits to the Community**

The Milk from Family Dairies Act would positively impact dairy farmers, which in turn benefit entire communities. Revitalizing the dairy sector into one where dairy farmers feel financially secure allows them to support local economies and provide jobs for workers in the community. Consumers will enjoy a consistent supply of dairy products, while also saving taxpayer money that would otherwise go towards farmer support programs to make up for low farmer prices. Even our planet benefits – smaller dairies can use more effective, ecologically-focused grazing, soil, and waste management practices.

If farmers know they are getting a price that will cover their costs, they can pay their workers a fair wage, take better care of their cows, and better manage their land!

## **For more information please contact:**

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