



## **National Call for Fair Prices for Dairy Farmers and Systemic Dairy Policy Reform**

United States Senate  
Washington, DC, 20510

United States House of Representatives  
Washington, DC, 20525

Date: November 17<sup>th</sup>, 2021

Dear Senators and Representatives,

We, the undersigned 94 farm, food, social, labor, and environmental justice organizations, urge Congress to take immediate action to implement fair prices for family-scale dairy farmers to address the ongoing U.S. dairy crisis.

For years, the prices paid to U.S. dairy farmers have regularly been below their costs of production. Prices dipped so low in 2018 that farmer suicides became national news. Low prices mean that family dairy farmers cannot pay their bills, contribute to their local economies, invest in sustainable practices, pay workers a fair wage, or transition their farms to the next generation. Federal dairy insurance and other payments have made little difference for most farmers, instead amounting to taxpayer subsidies for the large dairy processors who benefit from low milk prices.

Aided by federal policy decisions, milk production has moved to industrial-scale operations, whose large-scale production contributes to driving prices down. Seventy percent of dairy farms went out of business from 2000 to 2020, even while milk production increased by over 130%.<sup>1</sup> Large-scale industrial operations have lower production costs, but this economy of scale conceals expensive externalities, in the form of water pollution, depressed rural communities, lower property values, worker rights abuses, and more.

Overproduction and low prices have led to an over-reliance on export markets to dispose of excess milk volume. Small and mid-size farmers are particularly at risk in an export-focused industry, which is vulnerable to global political uncertainties. The fragility of the “get big or get out” approach has decreased the sector’s resilience in the face of shocks, as was clearly exposed in the COVID-19 pandemic, when farmers have dumped tens of millions of pounds of milk even as tens of millions of people are food insecure.

The dairy insurance programs developed in the last two farm bills have acknowledged the problems, but have not fundamentally addressed chronic low prices, market volatility, and continued consolidation.

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<sup>1</sup> USDA “Milk Production,” 2/16/01 & 2/23/20



The U.S. dairy sector needs systemic reform to support fair prices for family-scale producers, address corporate consolidation, and reduce dependence on export markets.

We need a new U.S. dairy policy oriented towards small and mid-size dairy farms, rather than corporate agribusiness. Successful models abound: U.S. dairy policies in place from the New Deal through the 1990s managed milk production and ensured farmers a fair price, while the U.S. sugar and cranberry industries and Canadian dairy market use similar elements that have stabilized those sectors in ways that U.S. dairy farmers need and deserve.

Core components of a successful dairy program must include:

- Price floors, based on scale of operation, that allow family-scale dairy farmers to cover their costs of operation;
- Production management mechanisms to re-balance U.S. dairy supply with demand, focused on scaling down the industrial-scale mega-dairies that contribute most to overproduction;
- Managed imports and exports to prevent undercutting farmer incomes and workers' rights in the U.S. and limit dependence on foreign markets;
- Measures to restore competition to the sector;
- Investment and incentives to rebuild regional dairy infrastructure.

Such a program must include both the organic and conventional markets, and support for entry of new and beginning dairy farmers must be a particular priority. Many in the sector are also calling for reform of the antiquated Federal Milk Marketing Order (FMMO) system; there is great potential to incorporate other necessary changes in the sector into any FMMO reform process.

The benefits of a new way forward for the dairy industry are numerous: for consumers, workers, and dairy processors who will be guaranteed a consistent and resilient milk supply; for the climate and the environment, as family-scale dairies can manage their waste in a more ecologically-appropriate manner and are more likely to graze their animals to build healthy soil and sequester carbon; for rural economies, where a thriving dairy industry will respect workers' rights while creating good jobs in processing and transportation; and for dairy farmers themselves, who deserve more transparency, competition, and control over the sector they uphold.

It is time for a change in the dairy industry. We call on your political leadership to support farmer- and worker-centered systemic reform of U.S dairy policy. To support true sustainability from our kitchen table to our planet, we must support economic justice for dairy producers.

Sincerely,



- ActionAid USA
- American Agriculture Movement
- American Federation of Government Employees, Local 3354
- American Sustainable Business Council
- Ashtabula, Geauga, Lake Counties Farmers Union (Ohio)
- California Farmers Union
- Campaign for Family Farms and the Environment
- Center for Food Safety
- Citizens Trade Campaign
- Coalition of Immokalee Workers
- Coming Clean
- Community Alliance for Global Justice
- Community Alliance with Family Farmers
- Community Farm Alliance
- Cooperative Development Institute
- Cornucopia Institute
- Dakota Rural Action
- Fair World Project
- Family Farm Action
- Family Farm Defenders
- Farm Aid
- Farm and Ranch Freedom Alliance
- Farm to Institution New England
- Farmworker Association of Florida
- Federation of Southern Cooperatives
- Food & Water Watch
- Food Animal Concerns Trust (FACT)
- Food Chain Workers Alliance
- Food Democracy Now!
- Food for Maine's Future
- Friends of Family Farmers
- Friends of the MST (US)
- Harambee House Inc.
- Health Care Without Harm
- Healthy Communities of the Capital Area
- Illinois Stewardship Alliance
- Institute for Agriculture and Trade Policy
- International Brotherhood of Teamsters Dairy Conference
- Iowa Citizens for Community Improvement
- Land For Good



- Land Stewardship Project
- Liberty Tree Foundation for the Democratic Revolution
  
- Maine Farm to Institution
- Maine Farm to School Network
- Maine Farmland Trust
- Massachusetts Avenue Project, Inc.
- Michigan Organic Food and Farm Alliance
- Migrant Justice / Justicia Migrante
- Minnesota Farmers Union
- Missouri Rural Crisis Center
- Mississippi Association of Cooperatives
- Montana Cattlemen's Association
- National Dairy Producers Organization
- National Family Farm Coalition
- National Farmers Organization
- National Farmers Union
- National Latino Farmers & Ranchers Trade Association
- New England Farmers Union
- North American Marine Alliance
- North Carolina Association of Black Lawyers Land Loss Prevention Project
- Northwest Farmers Union
- Northeast Organic Dairy Producers Alliance
- Northeast Organic Farming Association - Interstate Council
- Northeast Organic Farming Association - Massachusetts
- Northeast Organic Farming Association - New Hampshire
- Northeast Organic Farming Association - New Jersey
- Northeast Organic Farming Association - New York
- Northeast Organic Farming Association - Vermont
- Northeast Sustainable Agriculture Working Group
- Northern Plains Resource Council
- Ohio Farmers Union
- Oklahoma Black Historical Research Project, Inc.
- Organization for Competitive
- Partners for Dignity & Rights
- Pennsylvania Farmers Union
- Presbyterian Hunger Program
- Public Justice Food Project
- R-CALF USA
- Real Food Media
- Regeneration Massachusetts



- Rural Advancement Foundation International-USA (RAFI-USA)
- Rural Coalition
- Rural Vermont
- Soul Fire Farm
- Sustainable Agriculture of Louisville
- The Food Project
- United Food & Commercial Workers International Union
- Uprooted & Rising
- US Food Sovereignty Alliance
- Western Organization of Resource Councils
- WhyHunger
- Wisconsin Farmers Union
- Women Food and Agriculture Network (WFAN)
- 350 Seattle

Please contact NFFC Policy Director Jordan Treakle ([jordan@nffc.net](mailto:jordan@nffc.net)) or Dairy Consultant Siena Chrisman ([siena@nffc.net](mailto:siena@nffc.net)) with any questions.