

The U.S. Department of Agriculture today detailed plans to distribute \$290 million to struggling dairy farmers. The assistance is part of a \$350 million dairy assistance measure Congress approved at the request of Sen. Bernie Sanders (I-Vt.).

The measure that provides \$290 million for direct support to dairy farmers will result in a payment of about \$8,000 to the typical Vermont farmer. Another \$60 million was set aside nationwide to purchase cheese for food banks and nutrition programs.

Sen. Patrick Leahy (D-Vt.), a senior member of the Senate appropriations committee, and Rep. Peter Welch (D-Vt.), cochairman of the Congressional Dairy Farmers Caucus, helped guide the measure through the congressional appropriations process.

The U.S. Department of Agriculture announced today that it has begun processing payments under the Dairy Economic Loss Assistance Payment program. Farmers can expect to begin receiving payments over the next few weeks.

“This emergency support for Vermont’s dairy farmers could not have come at a better time. While prices have come up a bit recently, our farmers are still in the middle of a deep crisis,” Sanders said. “While the emergency relief is desperately needed, we also must stay focused developing long-term policies which will provide fair and stable prices for dairy farmers.”

Leahy said, “Secretary Tom Vilsack has listened to our struggling dairy farmers, and I know the Farm Service Agency has been working tirelessly to quickly get these funds into farmers’ hands. In many farming households times will be hard as we celebrate this holiday season, and the new year brings with it many unanswered questions. But this infusion will help stabilize operations hard hit by declining prices, bringing hope and some relief to dairy farmers.”

Welch said, “This is good news for Vermont’s hardworking dairy farmers, who continue to struggle in the face of the ongoing price crisis. This emergency funding will not solve the long-term challenges the dairy industry faces, but it is critical in the short-term to help keep our family farms in business,” he added.

Although final payment amounts will not be known until total eligible milk production is calculated, a Vermont dairy farmer with a 125-cow herd producing 20,000 pounds per cow per year, could receive an estimated \$8,000 in emergency federal support.

The average price farmers received for their milk fell this year to as low as \$11.30 per hundredweight, down from \$19.30 in July 2008. Prices have recently rebounded to \$15 per hundredweight. It costs farmers at least \$18 per hundredweight to produce milk. As prices plunged, family dairy farms in Vermont and around the country went out of business.

Farmers that participated in another fiscal year 2009 USDA dairy program, such as the Milk Income Loss Contract or MILC program, will not have to sign up for benefits since USDA already has their milk production records on file. The expected payment rate is approximately \$0.32 per hundredweight.

USDA estimated that 95 percent of eligible producers will receive benefits automatically and will not need to apply.