

Rep. Peter Welch wrote Secretary of Agriculture Tom Vilsack late last week urging the U.S. Department of Agriculture to increase support prices for cheese and non-fat dried milk products.

Welch, founder and co-chairman of the Congressional Dairy Farmers Caucus, rallied 26 other members of Congress to sign the letter, which comes as dairy prices are starting to dip again after a short period of recovery. When the USDA increased the rate it paid for dairy products last year, market prices rose with little cost to the taxpayer.

"These continue to be devastating times for Vermont's dairy farmers. Those who weathered last year's price crisis simply cannot survive another drop in prices," Welch said. "The USDA provided critical support last year to Vermont farmers. I hope Sec. Vilsack will act swiftly to address this latest development."

The bipartisan group of co-signers hailing from every region of the country included: Reps. Tim Walz, Joe Courtney, Chris Carney, Brian Higgins, David Obey, Maurice Hinchey, Carol Shea-Porter, Tammy Baldwin, Lynn Woolsey, Scott Murphy, Bill Owens, Paul Hodes, Thomas Petri, Daniel Maffei, Devin Nunes, Roscoe Bartlett, James Oberstar, Joe Sestak, Dennis Cardoza, Chellie Pingree, Mike Michaud, Chris Lee, Rosa DeLauro, Harry Teague, Michael Arcuri and Paul Tonko.

The letter is copied below:

Dear Secretary Vilsack,

We write you in response to the recent financial challenges facing the dairy industry. As you know, during 2009, dairy farms throughout the country experienced one of the worst price crises of the last 40 years. At the end of the year it appeared prices were finally climbing back to meet the cost of production, however, recent declines threaten the industry once again.

We appreciate all of the actions taken by the USDA in responding to the 2009 prices crisis. The restoration of DEIP, expedition of DELAP payments to farmers and removal of NFDM from storage were all necessary to aid the industry last year.

As a direct response to the recent collapse in cheese prices, we ask that the USDA use the Dairy Product Price Support Program (DPPSP) to increase support prices for cheddar block, barrel cheese and non-fat dried milk (NFDM). Any new drop in prices could deal a death blow to an industry on its way to recovery.

When the USDA raised the support price from August 1, 2009 through October 31, 2009, the "market" responded with an increase in prices. During the period of increased support prices the Commodity Credit Corporation was never called upon to purchase cheese at the increased prices. We believe the USDA could take the same action today, without incurring the costs of a purchase, while increasing market prices to aid dairy farms.

We appreciate your consideration of this request. An increase in the DPPSP could mean the difference between survival and bankruptcy for farms across the country this year.

Sincerely,

Peter Welch

Member of Congress