Congress of the United States
Washington, DC 20515

October 13, 2016

The Honorable Shaun Donovan
Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Donovan:

We write today to share with you our mounting concerns about the financial crisis challenging our nation's dairy farmers and the entire U.S. dairy industry. Dairy farmers have seen their income cut in half as farm milk prices have plunged by 40 percent since 2014. With market forecasts showing that dairy farmers will continue to face depressed prices, we ask for your help as we search for ways to swiftly assist our nation's struggling dairy farmers.

Although consumers have not seen this extreme price dip in grocery stores, our dairy farmers have been hit extremely hard by low farm milk prices that have sharply reduced incomes. This has placed the nation's dairy industry in a vulnerable position and threatens our states' rural economies. A number of factors have contributed to this situation. U.S. milk production has increased almost two percent above last year's level, while global milk production is up significantly, partly as a result of the European Union's decision to remove its milk production quotas and the loss of its export market to Russia. Globally-depressed prices are hurting U.S. farmers, and leaving the dairy industry with few options to deal with the glut of low-price milk on global markets. All of this comes as our dairy farmers are still adjusting to the new Farm Bill, and the many changes that were made to dairy support programs.

U.S. dairy farmers are a key part of our agriculture community, agriculture economy and rural communities. In this difficult time, they need support as they face these significantly lower prices, which for many are below their actual cost of production. As this industry is reeling from low prices brought on by a flood of imports, challenges in our export markets, and poor economic growth projections, we urge you to act quickly to shield the nation's dairy farmers from further crisis. We have asked the U.S. Department of Agriculture to take any and all actions available in order to support U.S. dairy farmers, while being cautious to not stimulate overproduction further, and we now ask you to do all you can to support the Secretary of Agriculture in this work.

These dairy farms make up the backbone of our rural economy, and farms both large and small act as economic drivers, providing local jobs and supporting a wide array of other businesses. The last financial crisis that hit the dairy industry in 2009 forced far too many families to go out of business and sell off their herds. Farms that had been in families for generations were driven into ruin and forced to close their doors for good. Through the support of this administration, we can hopefully prevent many farms from needing to make that same difficult decision today. We hope you will work with us to support all of our dairy farmers across the country.

We look forward to working closely with you and dairy stakeholders in our states in determining the best course of action to take in managing the current dairy industry financial crisis. If we

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have any hope for our rural economies to rebound and grow economically, we must act quickly to address the financial crisis hitting the nation's dairy farms. Thank you for taking the time to address this important matter.

Sincerely,

PATRICK LEAHY
United States Senator

JOE COURTNEY
Member of Congress

ROBERT P. CASEY, Jr.
United States Senator

TAMMY BALDWIN
United States Senator

KELLY A. AYOTTE
United States Senator

SEAN PATRICK MALONEY
Member of Congress

BARBARA BOXER
United States Senator

JIM COSTA
Member of Congress

SUSAN M. COLLINS
United States Senator

ELIZABETH H. ESTY
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RICHARD BLUMENTHAL
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JAMES P. McGOVERN
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DIANNE FEINSTEIN
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ANDY HARRIS
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