



## Federal Aid to Help Small Dairy Farmers

**Obama approves \$350 million in assistance for the U.S. dairy industry.**

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Courtesy USDA/ Scott Bauer

Washington's \$350 million legislated to help dairy farmers—including those with small farm operations like this one in western Maryland—aims to boost dairy industry profits. President Barack Obama recently signed legislation providing \$350 million in aid to U.S. dairy farmers as part of the Agriculture Appropriations Bill.

"This will get money directly into the pockets of our dairy farmers," said Congressman Steve Kagen (D-Wis.), one of the bill's sponsors. "Many of our farms are family-owned small businesses. This will help these families during these uncertain economic times."

All dairy farmers, including those from small dairy farms, who market their milk products to the USDA's Farm Service Agency are eligible to receive assistance from \$290 million of direct funding, said Jonathan Groveman, spokesperson for the FSA. However, the FSA and Agriculture Secretary Tom Vilsack are still working on the procedure for the dispersal of funds.

"No matter how the secretary decides to use the funds, there is no way this could hurt small farmers," said Jackie Klippenstein, vice president of industry and legal affairs for the Dairy Farmers of America. "The question is, 'Will it be enough to keep some of them in operation?'"

According to Klippenstein, senators Herb Kohl (D-Wis.), Bernie Sanders (I-Vt.) and Barbara Boxer (D-Calif.), sponsors of the bill, had three stipulations for how the funding would be distributed to dairy farmers: It must go to actual dairy farmers, it must be dispersed as quickly as possible, and it must not show regional favoritism. She said there is no doubt that all dairy producers will benefit from the \$290 million, but the length of dispersal time will determine how the different-sized operations are affected.

The remaining \$60 million not used for direct assistance will be used by the federal government to purchase cheese and dairy products from dairy farmers to reduce their surpluses.

"These purchases will increase dairy product prices, which will lead to higher milk prices, allowing farmers to sell their milk on the open market for a higher amount, equating to a higher profit margin," Groveman said.

The dairy products will be given to food banks and nutrition programs as part of the Emergency Feeding Assistance Program, he said.

The dairy industry has been hard-hit this year as milk prices fell below production costs. Many family dairy farms across the country were forced to shut down operations. This month's legislation follows a temporary three-month price hike in July.