USDA \$200 Million Distribution Plan Satisfies Dairy Farmers Of America

KANSAS CITY, Mo. — Dairy Farmers of America (DFA) has expressed general satisfaction with a plan announced last week by the U.S. Department of Agriculture (USDA) to distribute \$200 million in market loss payments to the nation's dairy farmers.

The USDA distribution formula is modeled after a plan recommended last year by the National Milk Producers Federation (NMPF), and strongly supported by DFA, with the exception of provisions for payment caps.

"The important thing is that these payments are coming at a time when dairy farmers are experiencing a steep decrease in farm prices for milk," said DFA Board Chairman Herman Bru-

baker. The Ohio dairy farmer explained that dairy producers across the nation have just experienced a one-third drop in the farm price of milk.

"Although these payments of 18-20 cents per hundredweight will not cover the \$6 per hundredweight expected drop in farm milk prices this spring, they will be helpful as milk production peaks and prices are at the lowest levels of the year," Brubaker said.

"Dairy Farmers of America joined other dairy organizations last fall in pushing for the market loss payment program," Brubaker said. The dairy payments were part of a \$6 billion package of emergency aid assistance for farmers that Congress included in the Fiscal Year 1999 budget.

The USDA will make payments based on a dairy operation's first 26,000 hundredweight of milk produced in 1998 or 1997, whichever is the highest. All dairy farmers who produced milk during the last quarter of 1998 are eligible for the payment.

To receive payment, farmers may apply at their local Farm Service Agency office from April 12 until May 21, 1999. The final payment rate per hundredweight will be calculated after the sign-up ends. USDA estimates that the rate will be between 18 and 20 cents per hundredweight.

Brubaker expressed his appreciation to the many members of Congress who recognized the needs of dairy producers for the market loss program and aided in convincing the USDA that the plan supported by DFA was the right way to distribute the market loss funds.

Dairy Farmers of America is a dairy marketing cooperative that

markets milk for 22,000 dairy farmer members in 45 states. DFA supplies milk to bottling and manufacturing plants that produce a complete line of dairy products and food components for consumers in the U.S. and around the world.



