



News Release

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Washington, Oregon advocate more USDA purchases of dairy products

OLYMPIA – The directors of state departments of agriculture in Washington and Oregon today publicly endorsed a national proposal to boost milk prices and keep Northwest dairy farms in business. Dan Newhouse of the Washington State Department of Agriculture and Katy Coba of the Oregon Department of Agriculture have sent a letter to USDA Secretary of Agriculture and members of Congress from their respective states in support of a plan proposed by the National Association of State Departments of Agriculture (NASDA).

Dairy farmers in the Pacific Northwest continue to battle low prices for their milk, a battle that many dairy farms are losing. In the first nine months of 2009, 39 Washington dairy farms and 16 Oregon dairy farms have terminated their licenses. Washington currently has 498 licensed dairies, while Oregon licenses 261 milk producers.

Today, the price farmers receive for their milk remains below the cost of production, as it has for most of the year. According to the U.S. Department of Agriculture (USDA), Pacific Northwest Class I milk has fallen from a January price of \$17.84 per hundredweight to \$13.03 in September.

“Dairy producers in our part of the country and across the nation need immediate help before hundreds more farms are forced out of the business,” said WSDA’s Newhouse. “For nearly a year, dairy producers have lost money on every gallon of milk. We need a national solution to this disaster that can be quickly implemented to benefit every producer.”

Under the NASDA plan, USDA would purchase 75 million pounds of cheese and other dairy products aimed to support a market milk price of \$16 per hundredweight, which would cover the cost of production. If needed, USDA would make two additional, similar-sized purchases of dairy products over a 120-day period to maintain the \$16 target price.

Also under the proposal, USDA’s purchases of dairy products will go to the national school lunch program, the Supplemental Nutrition Assistance Program (SNAP), community food banks and the other nutrition programs that have seen a dramatic increase in demand during the economic recession. Nearly 36 million Americans participate in SNAP, a 21 percent increase from just a year ago.

“This proposal is good for Oregon and Washington dairies, but it also will bring much needed help to families struggling to make ends meet,” said Coba of ODA. “While dairy producers are experiencing falling incomes and ballooning debt, they are certainly not the only families facing difficult times. This nutrition assistance will be timely for the millions of families across the country that can’t pay their grocery bills at the end of the month.”

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WSDA and ODA have been working with dairy producers this year to identify the best strategies to boost milk pricing. On August 26, WSDA, ODA and regional dairy producers met in Portland and agreed that expanded USDA dairy purchases are the best course of action to boost milk prices. In September, Coba and Newhouse brought this perspective to a NASDA meeting, where directors from across the country reached agreement to support USDA purchases of milk, as well as the pork and turkey industries that are facing similar hardships.

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