

United States Senate

WASHINGTON, DC 20510

September 24, 2012

The Honorable Thomas Vilsack
Secretary
United States Department of Agriculture
Room 200-A Whitten Building
1400 Independence Avenue, SW
Washington, D.C. 20250

Dear Mr. Secretary:

Dairy farmers across the nation are currently suffering from extremely high production costs, a circumstance brought about by the severe drought. The high price of grain has brought feed costs to historic levels, which means that dairy farms in the U.S. are caught in a budget squeeze that threatens their continued existence. Dairy farmers typically work with a milk to feed ratio of 3:1, but today's costs – along with the continued low price for milk – have lowered that ratio by over half. With a ratio this low, there is little leftover to cover the costs for labor, veterinarians, suppliers, banks, utilities, and farm equipment. Additionally, farmers will face financial hardships, which could include struggling to make payments on loans to support their dairy operations. According to U.S. Department of Agriculture's "All Milk Price" data from January to June of this year, the imbalance in cost of production numbers as compared with the milk prices has gone from -\$4.05 to -\$8.65.

Our domestic food supply is being severely challenged by this year's prolonged drought. Since June, the cost of corn and other components of feed have risen dramatically. Corn reserves have plummeted to a 15-year low. As we face this climate crisis, a consideration of the effects on milk prices would seem to be in order.

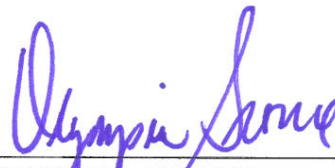
It is with these circumstances in mind that we urge you to immediately investigate and determine whether parity prices for fluid milk are reasonable, given the price of feed, the available supplies of feed, and other economic conditions which affect the market supply and demand for milk and milk products in the ten Federal Milk Marketing Orders.

Thank you for your prompt consideration of this request.

Sincerely,



BERNARD SANDERS
United States Senator



OLYMPIA SNOWE
United States Senator

Kirsten E. Gillibrand

KIRSTEN GILLIBRAND

United States Senator

Charles Sch

CHARLES SCHUMER

United States Senator

Susan M Collins

SUSAN COLLINS

United States Senator

Al Franken

AL FRANKEN

United States Senator