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AGRICULTURE SECRETARY VILSACK ESTABLISHES DAIRY ADVISORY COMMITTEE AND REQUESTS NOMINATIONS

Advisory Committee Will Review Key Issues Impacting Dairy Industry and Generate Additional Ideas About How USDA Can Help Struggling Producers

WASHINGTON, August 25, 2009 - Agriculture Secretary Tom Vilsack today announced that as part of USDA's continuing efforts to listen to and respond to the needs of producers in the dairy industry he is moving forward on establishing the Dairy Industry Advisory Committee and is requesting nominations.

"The Obama Administration is committed to working with all sectors of the dairy industry to develop changes to the dairy pricing system to avoid the boom and bust cycle behind the crisis facing many dairy farmers this year," said Vilsack. "The input provided by the members of this committee will play an important role in building a more stable market for dairy producers for years to come."

Earlier this month, Secretary Vilsack promised to move forward with establishment of a charter creating the committee for two years. Once appointed, the committee will review the issues of farm milk price volatility, and dairy farmer profitability. The committee will also offer suggestions and ideas on how USDA can best address these issues to meet the dairy industry's needs. USDA is establishing the committee under the authority of the Federal Advisory Committee Act of 1972.

The Secretary of Agriculture will appoint up to 15 representatives of the dairy industry to serve in an advisory capacity on the Committee. Representatives will include: producers and producer organizations, processors and processor organizations, handlers, consumers, academia, retailers, and state agencies involved in organic and non-organic dairy at the local, regional, national and international levels.

Written nominations must be received on or before September 28, and should be sent to Judith Lindsay, secretary to Brandon Willis, Deputy Administrator, Farm Service Agency, Farm Programs, USDA Room 3612-S, Stop 0501, Washington, D.C. 20250-0501; faxed to (202) 720-4726; or e-mailed to: judith.lindsay@wdc.usda.gov

Advisory committee members will elect the chairperson and vice-chairperson who will each serve a two-year term. As Deputy Administrator of the FSA Farm Programs, Willis will serve as the committee's executive secretary.

Details will be published in the August 28 Federal Register. More information on the committee is available at www.ams.usda.gov/AMSV1.0/DairyAdvisoryCommittee.

Additional steps that USDA has taken in recent months to support the dairy industry includes:

- Earlier this month, Secretary Vilsack announced that USDA is undertaking an unprecedented effort to use the department's administrative flexibility to provide relief to

individuals and businesses in struggling agriculture industries. Vilsack has ordered USDA Rural Development and the Farm Service Agency to use all available means to help producers, processors and other small businesses who have been hit by worsening economic conditions.

- Late last month, Secretary Vilsack announced that USDA was taking immediate action to support struggling dairy farmers by increasing the amount paid for dairy products through the Dairy Product Price Support Program (DPPSP). USDA estimates show that these increases, which will be in place from August 2009 through October 2009, will increase dairy farmers' revenue by \$243 million.
- In March, USDA transferred approximately 200 million pounds of nonfat dry milk to USDA's Food and Nutrition Service, which will not only remove inventory from the market, but also support low-income families struggling to put nutritious food on their tables.
- USDA expects to spend more than \$1 billion in fiscal year 2009 on purchases of dairy products (Dairy Product Price Support Program) and payments to producers (Milk Income Loss Contract (MILC)).
- On March 22, 2009, USDA reactivated USDA's Dairy Export Incentive Program (DEIP), to help U.S. dairy exporters meet prevailing world prices in addition to encouraging the development of international export markets in areas where U.S. dairy products are not competitive due to subsidized dairy products from other countries.
- Since March 22, USDA has encouraged the export of 20,000 tons of nonfat dry milk.
- From July 2008 through June 30, 2009, DEIP has announced allocations of 68,201 metric tons of nonfat dry milk; 21,097 metric tons of butterfat; 3,030 metric tons of various cheeses and 34 metric tons of other dairy products.
- USDA is working with the Department of State to identify foreign assistance programs such as U.S. Agency for International Development (USAID) and McGovern-Dole International Food for Education and Child Nutrition Program to make additional dairy products available internationally to reduce domestic supply.

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