



Sec. Vilsack announces & NFU welcomes \$290 mil. DELAP program for dairy

By Stewart Doan

© Copyright Agri-Pulse Communications, Inc.

Washington, Dec. 17 – Agriculture Secretary Tom Vilsack Thursday announced USDA’s implementation of the new \$290 million Dairy Economic Loss Assistance Payment (DELAP) program authorized by the 2010 Agricultural Appropriations Bill.

Under DELAP, eligible dairy farmers will receive a one-time direct payment based on their production and marketing during the months of February through July 2009. The Farm Service Agency (FSA) estimates that 875 million hundredweight of milk will be eligible for payment at a rate of approximately \$0.32 per cwt.

“Through this program, eligible dairy producers will receive economic assistance that will help stabilize their operations during these tough economic times,” Vilsack said, referring to the year-long slide in milk prices through mid-2009.

The national price for milk averaged \$16.80 per cwt in the fourth quarter of 2008 and \$12.23 during the first months of ‘09, a 27 percent decline. On average, the price farmers got for their milk in the summer was about half what it cost them to produce it.

On Capitol Hill, House Agriculture Committee Chairman Collin Peterson (D-MN) thanked Vilsack for quickly implementing DELAP.

“This is an essential stop-gap measure that will help many dairy farmers stay in business in the short-term,” Peterson said.

Dairy producers who have production records on file at the FSA county office do not need to apply for DELAP. Producers who don’t, have until Jan. 19, 2010 to apply, USDA said.

Peterson argued that the emergency assistance proves that existing dairy programs do not provide an adequate safety net for farmers. “We need to look at ways we can reform dairy policy to ensure that it provides adequate support for the long-term success of the industry,” he said. “There are few easy solutions, but I am committed to working with the dairy industry to consider appropriate changes that we can include in the next Farm Bill.”

National Farmers Union (NFU) President Roger Johnson immediately praised USDA's DELAP implementation designed to provide relief for struggling farmers in an economic crisis.

"Dairy producers are facing many challenges – shrinking demand, collapsing market prices, soaring input costs and reduced credit availability," Johnson said. "While there is no easy answer or simple fix to the extraordinary challenges facing America's dairy producers, today's announcement is the right step in the right direction. We need a strong dairy industry in this country to ensure that Americans have access to affordable food."

NFU lobbied continuously for an aggressive federal response to the dairy industry's historic collapse, with dairy producers squeezed between low milk prices and high production costs. NFU welcomed DELAP payments as a step toward offsetting economic losses that producers have incurred.

For other *Agri-Pulse* news stories, go to: www.agri-pulse.com.

#30