



May 4, 2020

Dear Member of Congress:

Representing dairy processors from across the nation, we write to urge Congress to include a dairy recourse loan program in the next COVID-19 response package. The dairy industry supports more than 3 million jobs that generate \$159 billion in wages and \$620 billion in overall economic impact.

As a result of the COVID-19 crisis, the food service industry has collapsed creating an estimated ten percent destruction in dairy product demand. This has resulted in a major upheaval in the dairy industry as processors, marketers, and merchants adapt to plunging restaurant sales. Lacking orders for some finished dairy goods, some processing plants are curtailing or ceasing operations. Among other problems for dairy, this situation has left many dairy processors with limited working capital needed to continue operating.

Accordingly, the dairy industry calls on Congress to authorize a new dairy recourse loan program that will allow dairy processors to secure credit against their inventory, ensuring these job creators have the working capital needed to make it through this crisis. Specifically, this recourse loan program would be administered by the U.S. Department of Agriculture (USDA) as it possesses the necessary in-house expertise to implement recourse loans. The department should be authorized to use all types of dairy products as loan collateral, including commodity products as well as specialty products in all segments of the industry. Finally, the program should last two years to ensure it can get processors through the crisis, and loan amounts should cover extended terms of up to 120 days on a rolling basis.

The dairy industry wants to keep dairy processors solvent, so they can continue to process fresh milk into nutritious products and employ millions of Americans. Our industry needs access to capital to serve as a bridge between this time of financial difficulty and a tomorrow of robust productivity. This recourse loan program is an integral component of that architecture.

For additional information about this dairy recourse loan program specifically or the impact of COVID-19 on the dairy industry, please do not hesitate to contact the International Dairy Foods Association.

On behalf of our organizations, thank you for your timely consideration of this request.

Sincerely,

*Agri Mark/ Cabot Cheese*

*Agropur*

*Anderson Erickson Dairy, Co*

*Associated Milk Producers, Inc.*

*Baker Cheese, Inc*

*Blue Bell Creameries*

*Brewster Cheese Company*

*Burt Lewis, Inc.*

*California Dairies, Inc.*

*Chr. Hansen, Inc.*

*Continental Dairy Facilities LLC*

*Crystal Creamery, Inc.*

*Dairy Farmers of America*

*Dairy Institute of California*

*Danone North America*

*Darigold, Inc.*

*Foremost Farms USA*

*Galloway Company*

*Grande Cheese Company*

*Great Lakes Cheese Co., Inc.*

*Hershey Creamery Company*

*High Road Craft Ice Cream, Inc.*

*Hilmar Cheese Company, Inc.*

*Hollandia Dairy, Inc.*

*HP Hood LLC*

*Idaho Milk Products*

*Lactalis American Group*

*Land O'Lakes, Inc.*

*Leprino Foods Company*

*Maryland & Virginia Milk Producers Cooperative Association*

*Masters Gallery Foods, Inc.*

*MCT Dairies, Inc*

*Meadowvale, Inc.*

*Michigan Milk Producers Association*

*Milkco, Inc.*

*Minnesota Department of Employment and Economic Development*  
*New York State Cheese Manufacturer's Assoc.*  
*Northeast Dairy Foods Association, Inc.*  
*O-AT-KA Milk Products Cooperative, Inc.*  
*Pierre's Ice Cream Company*  
*Plains Dairy, LLC*  
*Prairie Farms Dairy*  
*Producer's Dairy*  
*Reed's Dairy, Inc*  
*Rice Dairy LLC*  
*Rich Ice Cream Co.*  
*Sargento Foods Inc.*  
*Sartori Company*  
*Schneider's Dairy, Inc.*  
*Schreiber Foods*  
*Shamrock Foods Company*  
*SmithFoods Inc.*  
*Tate & Lyle*  
*The Ice Cream Club, Inc.*  
*The McCully Group*  
*Tillamook County Creamery Association*  
*United Dairywomen of Arizona*  
*Upstate Niagara Cooperative, Inc.*  
*Valley Queen Cheese*  
*Wapsie Valley Creamery, Inc.*  
*Wells Enterprises, Inc.*  
*Wisconsin Cheese Makers Association*