

ANN McLANE KUSTER
SECOND DISTRICT, NEW HAMPSHIRE

WWW.KUSTER.HOUSE.GOV

COMMITTEE ON VETERANS' AFFAIRS

RANKING MEMBER:

SUBCOMMITTEE ON OVERSIGHT & INVESTIGATIONS

SUBCOMMITTEE ON HEALTH

COMMITTEE ON AGRICULTURE

SUBCOMMITTEE ON CONSERVATION & FORESTRY

SUBCOMMITTEE ON BIOTECHNOLOGY,
HORTICULTURE, AND RESEARCH



Congress of the United States
House of Representatives

September 9, 2016

WASHINGTON OFFICE:
137 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2902
P: (202) 225-5206

CONCORD OFFICE:
18 NORTH MAIN STREET, 4TH FLOOR
CONCORD, NH 03301
P: (603) 226-1002

NASHUA OFFICE:
70 EAST PEARL STREET
NASHUA, NH 03060
P: (603) 595-2006

NORTH COUNTRY OFFICE:
33 MAIN STREET, SUITE 202
LITTLETON, NH 03561
P: (603) 444-7700

The Honorable Thomas J. Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Vilsack:

I write today to express my grave concerns about the challenges that many New Hampshire dairy producers have been experiencing as a result of near-record low milk prices, as well as troubling domestic and international market conditions. In just the first eight months of this year, New Hampshire has lost 16 percent of its dairy farms, and further closures threaten the vitality of our dairy industry for years to come. I urge you to use any existing authority within the U.S. Department of Agriculture (USDA) to provide emergency relief funding to dairy producers who have been suffering from a perfect storm of low milk prices, unstable market conditions and a historic drought. In addition, I request your guidance in determining what mechanisms are in place within the Natural Resources Conservation Service (NRCS) to help farmers adapt to the increasingly extreme weather we are experiencing in New Hampshire and to insure that adequate resources are deployed to serve drought stricken farmers.

While the recent announcement that USDA will purchase \$20 million in commodity cheese products was encouraging news for dairy producers, the steep decline in milk prices and slim dairy margins requires additional support from USDA in the form of financial assistance or other market injections. Many dairy farms in my district are teetering on the balance of closing their doors or continuing to sell milk below the cost of production; this reality has left some dairy farmers unable to meet financial obligations, and has led to farmers selling off assets and consolidating their operations. Additionally, the unprecedented drought conditions that have gripped New Hampshire for most of the summer have led to significant crop losses and further strained farm incomes. As USDA begins to budget for Fiscal Year 2018, I request that your Department examine how much discretionary funding within Section 32, will be available to provide support to producers in areas with severe drought conditions.

Furthermore, I have heard from dairy farmers across New Hampshire that the Margin Protection Program (MPP) is simply not working for their dairy operations. With the significant drop in milk prices per hundredweight and higher feed costs that farmers in the Northeast experience, the recent allocation of \$11.2 million in nationwide payments to MPP participants amounted to less than \$10,000 for New Hampshire. While long-term structural changes need to be made to MPP to improve enrollment figures and better reflect the actual feed costs that producers incur, I am

concerned that producers all across the country are slipping through the safety net. I request that your department consider short-term funding measures to MPP participants as a way to help shrinking farm incomes and encourage more robust participation as the 2017 enrollment period progresses.

New Hampshire's dairy industry comprises approximately one-third of all agricultural sales in the state, and 70% of farm land supports dairy farming. The health and strength of New Hampshire's dairy industry is critically important to the Granite State's overall economy. New Hampshire's hardworking dairy farmers and families have experienced tough times these past few years, and they need our immediate help to ensure that New Hampshire's rich agricultural history continues with success. I request USDA take swift action and employ all available measures to financially support struggling dairy producers in the coming months.

Sincerely,



Ann McLane Kuster
Member of Congress