

## Talking Points for USDA FMMO Recommendation Comments

### Message

Dairy farmers should oppose the USDA's proposed changes to federal milk marketing orders make allowance. It is essential to protect the economic viability of dairy the dairy industry that farmers file comments with USDA opposing the change to ensure fair market practices and maintain the overall health and sustainability of the dairy industry. By highlighting these talking points, farmers can advocate for a make allowance policy that supports both farmers and processors, promoting a balanced and equitable dairy supply chain.

### Supporting Points:

#### **Negative Impact on Farmers' Incomes**

- The proposed changes will likely reduce the prices that farmers receive for their milk, directly impacting their livelihoods and financial stability.
- Lower income for farmers can lead to increased financial stress and potential bankruptcy, especially for small and medium-sized dairy farms.

#### **Increased Economic Pressure on Small-Scale Farmers**

- Small-scale farmers, who already operate on thin margins, will be disproportionately affected by these changes.
- Reduced earnings can force small farmers out of business, leading to greater consolidation in the dairy industry, which can reduce competition and innovation.

#### **Unfair Market Imbalance**

- The changes may benefit processors at the expense of dairy farmers, creating an unfair market imbalance.
- This imbalance can lead to an inequitable distribution of wealth within the dairy supply chain, harming the overall health of the agricultural sector.

#### **Reduction in Farm Investments**

- With reduced profitability, farmers will have less capital to invest in essential technologies, equipment, and sustainable practices.
- This lack of investment can hinder productivity and innovation in the dairy sector, negatively impacting long-term sustainability and efficiency.

#### **Threat to Rural Economies**

- Many rural communities depend heavily on the dairy industry for economic stability and employment.
- Lower incomes for dairy farmers can lead to job losses and reduced economic activity in these communities, exacerbating rural poverty and economic decline.

### **Long-term Industry Sustainability**

- Ensuring fair and adequate pricing for farmers is essential for the long-term sustainability and resilience of the dairy industry.
- USDA should focus on creating a balanced approach that supports both farmers and processors, fostering a healthy and competitive dairy sector.

### **Example of a Strong Comment to submit to USDA:**

*Hello,*

*I am XX XXX, a farmer from XXXXX.*

*The USDA's proposed changes to the federal milk marketing order make allowances pose a significant threat to the livelihood of dairy farmers, especially those operating on already tight margins. By increasing the make allowances for processors, these changes will likely result in lower prices paid to farmers for their milk, directly reducing their income and pushing many to reconsider continuing to farm. Small and medium-sized dairy farms, which are the backbone of rural communities, will be disproportionately affected, as they often lack the financial cushion to absorb such income reductions. This shift in the financial landscape could lead to a wave of farm closures, further consolidating the dairy industry and diminishing competition, which is essential for a healthy, innovative market.*

*These changes risk creating a significant imbalance within the dairy supply chain, favoring processors at the expense of farmers. This imbalance not only threatens the economic stability of dairy farmers but also endangers the sustainability of the entire industry. Without fair and adequate compensation, farmers will have less capacity to invest in new technologies, sustainable practices, and efficiency improvements—investments that are crucial for long-term growth. The ripple effects of these changes could extend beyond individual farmers, impacting rural economies, and food security. It is vital that the USDA reconsider these changes and prioritize a make allowance that ensures fair treatment and financial viability for dairy farmers, who are essential to the nation's food supply and rural economy.*