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USDA to Purchase Surplus Cheese for Food Banks and Families in Need, Continue to Assist Dairy Producers

Department Also Will Extend Margin Protection Program for Dairy Enrollment Deadline

WASHINGTON, Aug. 23, 2016 – The U.S. Department of Agriculture (USDA) today announced plans to purchase approximately 11 million pounds of cheese from private inventories to assist food banks and pantries across the nation, while reducing a cheese surplus that is at its highest level in 30 years. The purchase, valued at \$20 million, will be provided to families in need across the country through USDA nutrition assistance programs, while assisting the stalled marketplace for dairy producers whose revenues have dropped 35 percent over the past two years.

"We understand that the nation's dairy producers are experiencing challenges due to market conditions and that food banks continue to see strong demand for assistance," said Agriculture Secretary Tom Vilsack. "This commodity purchase is part of a robust, comprehensive safety net that will help reduce a cheese surplus that is at a 30-year high while, at the same time, moving a high-protein food to the tables of those most in need. USDA will continue to look for ways within its authorities to tackle food insecurity and provide for added stability in the marketplace."

USDA received requests from Congress, the National Farmers Union, the American Farm Bureau and the National Milk Producers Federation to make an immediate dairy purchase. Section 32 of the Agriculture Act of 1935 authorizes USDA to utilize fiscal year 2016 funds to purchase surplus food to benefit food banks and families in need through its nutrition assistance programs.

USDA also announced that it will extend the deadline for dairy producers to enroll in the Margin Protection Program (MPP) for Dairy to Dec. 16, 2016, from the previous deadline of Sept. 30. This voluntary dairy safety net program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. A

USDA web tool, available at www.fsa.usda.gov/mpptool, allows dairy producers to calculate levels of coverage available from MPP based on price projections.

On Aug. 4, USDA announced approximately \$11.2 million in financial assistance to U.S. dairy producers enrolled in MPP-Dairy, the largest payment since the program began in 2014.

"By supporting a strong farm safety net, expanding credit options and growing domestic and foreign markets, USDA is committed to helping America's dairy operations remain successful," said Vilsack.

While USDA projects dairy prices to increase throughout the rest of the year, many factors including low world market prices, increased milk supplies and inventories, and slower demand have contributed to the sluggish marketplace for dairy producers.

USDA will continue to monitor market conditions in the coming months and evaluate additional actions, if necessary, later this fall.

Since 2009, USDA has worked to strengthen and support American agriculture, an industry that supports one in 11 American jobs, provides American consumers with more than 80 percent of the food we consume, ensures that Americans spend less of their paychecks at the grocery store than most people in other countries, and supports markets for homegrown renewable energy and materials. USDA has also provided \$5.6 billion in disaster relief to farmers and ranchers; expanded risk management tools with products like Whole Farm Revenue Protection; and helped farm businesses grow with \$36 billion in farm credit. The Department has engaged its resources to support a strong next generation of farmers and ranchers by improving access to land and capital; building new markets and market opportunities; and extending new conservation opportunities. USDA has developed new markets for rural-made products, including more than 2,500 biobased products through USDA's BioPreferred program; and invested \$64 billion in infrastructure and community facilities to help improve the quality of life in rural America. For more information, visit www.usda.gov/results.

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