

USDA Recommended Decision:

Right now:

- **Class III** (cheese) processing costs \$3.17 per hundredweight (cwt) of milk.
- **Class IV** (butter and non-fat dry milk) processing costs \$2.17 per cwt.

USDA plans to:

- **Increase Class II** by 74 cents.
- **Increase Class III** by 89 cents.
- **Increase Class IV** by 74 cents.

In places like Wisconsin, where most milk goes into these categories, this change could lower the price farmers get for their milk. Historically, these costs have only gone up by about 35 cents at a time, but the USDA is proposing more than double that amount. They're relying on voluntary cost surveys from only a small number of plants across the country, yet moving forward with sweeping changes.

The FMMO hearings refer to hearings held by the U.S. Department of Agriculture (USDA) related to the Federal Milk Marketing Orders (FMMOs). These orders regulate the pricing and marketing of milk and dairy products in the United States.

The last hearing date occurred on January 30th, 2024.

<https://www.ams.usda.gov/sites/default/files/media/FMMOtranscript013024.pdf>

Below is an example comment to submit to USDA, take as little of as much of this template as you'd like:

I am (name), a farmer from (town) and (background on your dairy operation). I oppose USDA's proposal to increase the federal milk marketing order (FMMO) make allowances because it poses a significant threat to the livelihood of dairy farmers. In the last twenty years, two of every three dairy farmers have gone out of business across the US, mainly due to roller-coaster milk prices. Increasing the make allowances, as recommended by the USDA, doubles down on a failing system that threatens dairy farmers and consumers because fewer and fewer farmers make the food supply less stable and secure. To make matters worse, higher make allowances will make milk processors less responsive to changes in market demand and stifle innovation because their costs are covered. When supply exceeds demand, dairy farmers pay the price in lower milk checks.

Increasing make allowances takes money out of our milk checks and makes the milk processing sector less responsive to changes in the market because processing costs are covered. Higher make allowances will continue milk price volatility and depress milk prices paid to dairy farmers long-term, pushing many more out of business. This transfer of funds from farmers to

processors could accelerate the 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 FMMO changes that improve dairy farmer milk prices and foster financial viability for dairy farmers, who are essential to the nation's food supply and rural economy. I thank you for the opportunity to comment on the USDA FMMO recommended decision.

The Wisconsin Farmers Union has been advocating for a systematic, long-term solution to strain on dairy producers through the Dairy Revitalization Plan. Learn More at DairyTogether.com