

## Aid Will Help, Trade Will Be Better

After five long years of very difficult economic times in the dairy industry, the first several months of 2019 suggest that some positive changes are on the way. Challenges, however, most definitely remain. Trade disputes with countries that are key export customers continue. Many dairy farms have been operating with several worker positions unfilled. Competition from nondairy alternatives increases with each new plant-based beverage. And record wet weather in the planting season this year in the Midwest is posing questions about feed availability and quality heading into the last months of 2019 and into early 2020.

A lot is happening that could provide relief to dairy farmers in the middle and later parts of the year. The U.S. Department of Agriculture has opened the new Dairy Margin Coverage (DMC) program and payments for the first five months of the year have begun showing up in producers' bank accounts. The USDA Risk Management Agency's Revenue Protection Program for Dairy (Dairy RP) is also fully operational and farmers have another tool available to help manage risk. USDA guidelines say that both Dairy RP and DMC can be used at the same time and on the same volumes of milk. Signup for DMC must be done at local USDA FSA offices. Dairy RP is available from certified crop insurance agents.

In addition to DMC and Dairy RP, the Department of Agriculture just announced another round of producer payments, product purchases and donations and export market development assistance to try to help mitigate the negative economic impacts of ongoing international trade disputes. Dairy producers are eligible

to sign up to receive 20-cents/cwt on their annual production history that is also used in the DMC program. Signup is at your local USDA Farm Service Agency (FSA) service center beginning July 29th. The first payment, due to arrive in mid-to-late August, will be for half of the calculated amount. Second and third payments may be made in November and just after the new year pending an analysis of the trade situation at those times.

The USDA has also announced that the trade mitigation program will devote \$68 million to milk and dairy food purchases and donations. Round one of four will begin with purchases in October and first deliveries in January 2020. Earlier this month the USDA announced that the U.S. Dairy Export Council (USDEC) would receive \$2.5 million to help with identifying and building new export markets for U.S. dairy products. Those funds will amplify the USDEC export market development programs funded by producers through their 15-cents/cwt promotion and research checkoff.

Everyone agrees dairy farmers want to make their income from the market and not government payments. The industry will be watching the U.S.

Congress and Canadian Parliament this fall to see of the new U.S.-Mexico-Canada free trade agreement gets ratified. The Mexican Senate has already approved the new pact. You are encouraged to get in touch with your U.S. Senators and Member of the House of Representatives to ask for their support for the USMCA. If you're in a U.S. House district represented by a Democrat, please add that you would like them to encourage Speaker Pelosi to schedule the ratification vote as soon as possible this fall.



*THE JERSEY by Bonnie L. Mohr, commissioned by the American Jersey Cattle Association.  
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