



‘More exports’ mantra isn’t getting the job done

By Darin Von Ruden

We are deluding ourselves if we think that exports alone will forge a viable future for America’s dairy farm families. We’ve had 25 years of steadily increasing trade, and look where it’s gotten us: 352 Wisconsin dairy farms lost in 2016, 465 Wisconsin dairy farms lost in 2017, and 691 Wisconsin dairy farms lost in 2018. The ‘more exports’ mantra is not getting the job done for America’s Dairyland. The sooner we start exploring some other options, the sooner we’ll start to turn the tide of devastating farm losses in Wisconsin and all across the country.

In addition to being insufficient to help family farmers, the current ‘produce all you want, and we’ll export the surplus’ strategy articulated by USDA Secretary Sonny Perdue and others is phenomenally costly to taxpayers. Government spending on our current dairy insurance programs is expected to balloon to billions of dollars in the coming years.

In contrast, dairy economists Dr. Charles Nicholson from Cornell University and Dr. Mark Stephenson from the University of Wisconsin found in a recent study that if Congress had adopted policies in the 2014 farm bill designed to give dairy farmers an incentive to balance production with market demand, it would have significantly decreased government spending on taxpayer-subsidized dairy insurance programs, while doubling farmers’ Net Farm Operating Incomes and saving hundreds of dairy farms each year over the past four years. Impact to consumers would have been negligible – less than 12 cents more for a gallon of milk.

The evidence is clear: In addition to increasing demand through exports and dairy consumption, we also need to be looking at the supply side of the equation. Anyone who claims to be helping dairy farmers but is not willing to look at proven supply management strategies is asking farmers to build a viable future for themselves with one hand tied behind their backs. Given the depth and urgency of the dairy crisis, we should be using every single tool at our disposal to help farmers be profitable – increasing demand, yes, but also getting a handle on supply.

This is basic economics – it takes both supply and demand to set a reasonable price for dairy farmers. We are looking for a serious commitment from Congress to help farmers manage the over-supply of milk that is driving prices down. Farm organizations and elected and appointed officials who are focusing only on increasing exports are missing half of the equation.

Von Ruden dairy farms in Westby and is president of Wisconsin Farmers Union, a member-driven organization committed to enhancing the quality of life for farmers, rural communities and all people. Learn more at www.wisconsinfarmersunion.com and www.dairytogether.com.