



Consumer Federation of America



April 29, 2013

The Honorable Frank D. Lucas
U.S. House of Representatives
2311 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Lucas:

The undersigned national consumer organizations wish to express our strong opposition to the inclusion in the upcoming Farm Bill of dairy programs that propose to assist dairy farmers by imposing limits on milk production. The Dairy Market Stabilization Program, included in the Dairy Security Act, is such a program. According to the Congressional Research Service, it is specifically designed to raise milk prices and would ultimately increase the prices that consumers pay for milk and dairy products. It can and should be removed from the Dairy Security Act if that proposal is to be included in the Farm Bill.

We urge that you consider that programs which artificially increase milk prices will hit lower income consumers the most as they spend a higher proportion of their incomes on food than do other consumers. In addition, the Stabilization program would prevent prices from falling, depriving consumers of periodic price relief, while providing no protection for consumers from periodic milk price surges.

Price increases caused by the Stabilization program would negatively impact federal nutrition assistance programs, on which millions of low-income families depend, by increasing program costs and reducing their purchasing power. When government programs are already facing budget cuts, it is counterproductive to decrease the purchasing power of the funding they receive.

We urge you to reject proposals that limit milk production and that impose restrictions on dairy farmers, and to support dairy policies that will not lead to higher milk and dairy prices for consumers or negatively impact federal nutrition assistance programs. At a time when so many U.S. consumers are having difficulty making ends meet, the last thing they need are unnecessary, artificial increases in the price of staple food products.

Sincerely,

Consumer Action

Consumer Federation of America

National Consumers League