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WFU praises aid to farmers, calls for deeper look at supply chain issues

Wisconsin Farmers Union (WFU) issued a statement today expressing appreciation to the USDA for a critically needed \$19 billion emergency aid package to support farmers and bolster food security.

The USDA announced Friday that it plans to provide \$16 billion in direct support to family farmers and ranchers, \$9.5 billion of which was allocated by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The other \$6.5 billion will be sourced from the Commodity Credit Corporation (CCC). USDA will also purchase \$3 billion worth of fresh produce, dairy, and meat, which will be redistributed to food pantries and other non-profit organizations that serve Americans experiencing food insecurity.

Direct payments to farmers will cover 85% of the losses incurred between January 15th and April 15th, based on estimates projected by the Agricultural Marketing Service (AMS). Payments will not cover losses covered through existing farm bill programs, such as crop insurance or the Dairy Margin Coverage program, and will be subject to a payment limitation of \$125,000 per commodity and \$250,000 per producer. The AMS' impact analysis suggests that agriculture has incurred \$40 billion in losses.

WFU President Darin Von Ruden stressed the importance of dividing aid fairly, to ensure it reaches America's family farmers. He also urged a deeper look at the structural issues that have wreaked havoc on the U.S. supply chain amid the coronavirus crisis.

"Family farmers across the nation continue to work to keep food on our tables, and this aid will be critical for keeping some of those farms on the land and in our rural communities amid the blows they've been dealt from market disruptions," Von Ruden said. "We also must recognize that farmers have been in crisis for the past several years. The pandemic has clearly demonstrated the frailty that comes to a food supply chain when it becomes too consolidated. As we move forward, the agricultural community and lawmakers need to be working together to address consolidation, supply management, and the price fixing we have witnessed, particularly in the cattle industry. Farmers across various sectors are feeling the impact of a food system that puts the majority of the risk on the farmer while those further down the supply chain reap the profits."

Dairy Relief

As the coronavirus pandemic impacts consumer demand, a major surplus of milk is driving prices down and forcing farmers to dispose of milk. Last week some of the major players in the dairy industry [called on the USDA](#) to couple federal aid payments with an immediate supply reduction.

Von Ruden issued the following statement in regard to dairy:

"Dairy farmers are at a breaking point and the need for federal action to manage the oversupply could not be more clear.

Direct payments will offer some short-term relief, but these efforts will fail to support dairy farmers through the long duration of this crisis unless we also manage the oversupply of milk. We hope that Congress and the USDA will address this problem in a serious way in subsequent response actions.



There is growing acknowledgement in the dairy industry that we need both immediate supply controls to address the short term crisis, and a mechanism to balance milk supply and demand on an ongoing basis. We are encouraged by the recent research by top dairy economists showing just how effective such a program would be if implemented permanently, and applying to all dairy farmers nationwide.”

Wisconsin Farmers Union is a member-driven organization committed to enhancing the quality of life for family farmers, rural communities and all citizens through educational opportunities, cooperative endeavors and civic engagement. Learn more at www.wisconsinfarmersunion.com.

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