



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

**SUBMISSION FOR THE RECORD
OF THE INTERNATIONAL DAIRY FOODS ASSOCIATION
BEFORE THE SENATE COMMITTEE ON AGRICULTURE, NUTRITION AND
FORESTRY
REGARDING THE HEARING, “GROWING JOBS IN RURAL AMERICA”**

The International Dairy Foods Association (IDFA)ⁱ, representing the nation's dairy manufacturing and marketing industries, would like to submit for the record an economic review by IDFA Chief Economist Robert Yonkers, Ph. D., titled “A Look at Dairy Market Price Volatility and Options for Dairy Policy Reform.” His review analyzes how implementing a controversial milk supply-control program, as proposed by the National Milk Producers Federation and recently released in a draft bill by Representative Collin Peterson, would decrease U.S. dairy exports resulting in thousands of lost jobs.

Emerging global demand for dairy products offer enormous opportunities that promise to create growth for farmers and processors and provide jobs for thousands of Americans. Dairy exports now represent 12% of all U.S. farm milk. In 2010, the United States exported more than \$3.7 billion worth of dairy products around the world, representing an increase of 64% from 2009 and the second-highest level ever. These numbers are a clear departure from those of a decade ago when the U.S. dairy industry exported less than \$1 billion of dairy products a year, often by taking advantage of government export subsidies that are no longer needed.

Although job creation can be difficult to quantify, the Foreign Agriculture Service of the U.S. Department of Agriculture recently estimated that every \$1 billion increase in agriculture exports creates nearly 8,400 new jobs in the United States. Much of the expansion in the U.S. dairy industry in the past decade is a direct result of growing export sales. Several new dairy processing plants have been built or expanded in recent years, resulting in more jobs in our facilities and providing greater opportunity for dairy farm operations to grow.

A good example of job growth due to the expansion of the U.S. dairy industry is in northern Colorado where Leprino Foods Company is constructing a new cheese plant and creating 500 new jobs for the area. The plant will also create new opportunities for Colorado’s dairy farmers who will need to add 80,000 cows. Leprino has been a global leader in dairy products manufacturing and has helped expand the U.S. dairy industry’s reach in global dairy markets.

IDFA and its members are optimistic that the dairy industry can continue to be a strong economic engine for our country. With the right domestic and international policies, we are confident that these positive job-creation and industry-growth trends will continue. Congress should reject any effort to impose government limits on milk production. Growth management efforts, including the Dairy Market Stabilization Program proposed by the National Milk Producers Federation, will hinder U.S. dairy export growth and kill rural jobs.

Instead of new mandatory programs that would have our government manipulate farm milk prices, IDFA has proposed the expansion of popular and voluntary programs, such as Livestock Gross Management – Dairy, that will assist producers in managing business risk. We can and should help our dairy producers, but we must do so in a way that does not place rural job growth at risk.

ⁱ The International Dairy Foods Association (IDFA) represents the nation's dairy manufacturing and marketing industries and their suppliers, with a membership of 550 companies representing a \$110-billion a year industry. Our member companies manufacture more than 85% of the milk, cultured products, cheese and frozen desserts produced and marketed in the United States.