

Congress of the United States
Washington, DC 20515

May 29, 2014

The Honorable Juan M. Garcia
Administrator
Farm Services Agency
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Administrator Garcia:


Thank you for your efforts to implement the dairy insurance program of the Agricultural Act of 2014 as quickly as possible. We understand that developing a new insurance system is a difficult task and we appreciate your agency's efforts to begin the program as quickly as possible. We represent some of the largest milk producing regions in the country, so our dairy farming constituents have a significant stake in the success of the program.


We are writing today to share our views on the premium structure of the insurance program. As you know, the program includes a "two tiered" premium structure, whereby producers can pay lower premium rates to insure their first four million pounds of milk. We believe that all dairy farmers should be able to cover their first four million pounds of production at the lower premium rates, regardless of whether or not they produce additional milk beyond that threshold. Moreover, we believe that the legislative language in the Agricultural Act of 2014 is clear and supports this approach.

With this in mind, we have strong concerns with any interpretation of the law that would suggest a "pro-rated" approach to the premium structure for farmers who produce more than four million pounds of milk. Any attempt to "pro rate" the insurance premiums for some operations would cause those farmers to have to pay higher premium rates for the same milk production than other farmers would have to pay. We do not believe that the legislative language supports this interpretation, as there are no provisions in the law that require the Department to "pro rate" premiums based on herd size.

We thank you for your consideration of our comments and for your efforts on behalf of U.S. dairy producers. Please let us know if you have any questions or if you would like to discuss this matter further.

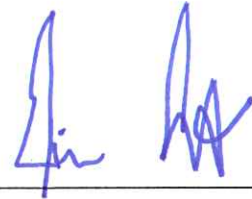
Sincerely,


Reid J. Ribble
Member of Congress


Peter Welch
Member of Congress



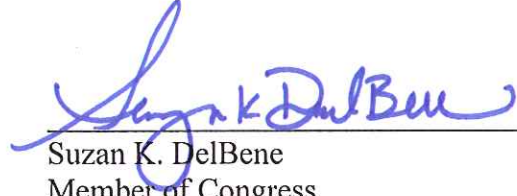
Michael K. Simpson
Member of Congress



Jim Costa
Member of Congress



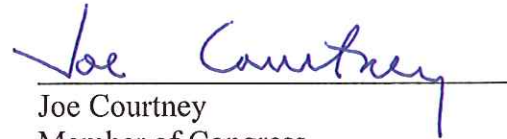
Chris Collins
Member of Congress



Suzan K. DelBene
Member of Congress



Glenn Thompson
Member of Congress



Joe Courtney
Member of Congress



Christopher P. Gibson
Member of Congress



Timothy J. Walz
Member of Congress



David G. Valadao
Member of Congress