

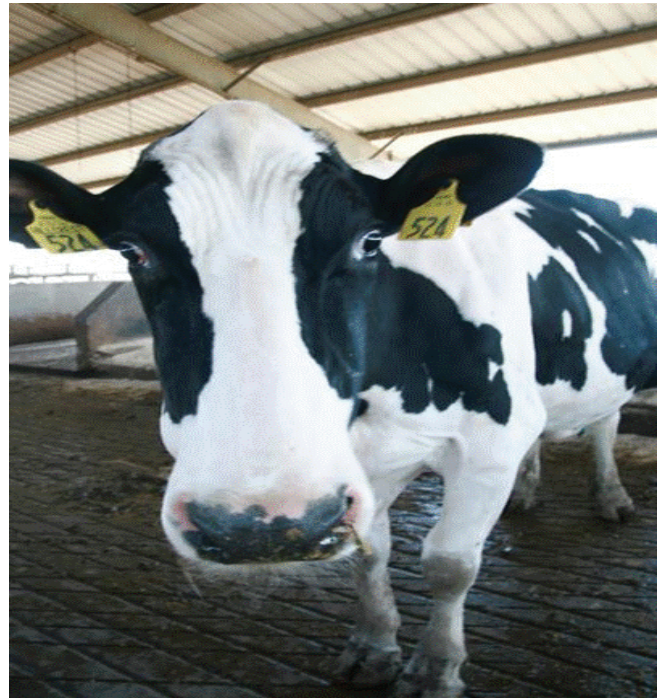


# Dairy Buyout

## *Propping Up the Dairy Industry at the Expense of Cattlemen*

### Support Sound Market Principles:

- Cattlemen do not support government handouts for our industry or any other.
- Although the cattle industry is not subsidized by the government, we are subject to the unintended consequences of decisions that favor the dairy industry and disrupt our marketplace.
- Cattlemen believe in free market principles; one industry should not be artificially propped up at the expense of others.
- The dairy industry should never be supported at the expense of beef producers.



### *Fact About the 1986 Dairy Buyout:*

The federal dairy buyout in the 1980's cost the government \$1.8 billion in payments to dairy producers, with no lasting benefits to the industry.



This short-lived program sent cattle markets crashing to the lowest point in 30 years.



Beef prices dropped by 25%, resulting in \$1 billion in losses for the beef industry.



*We can't afford to repeat this  
mistake again!*

### The Beef and Dairy Industries are Inextricably Linked:

- Cull cows and veal calves from the dairy industry ultimately end up being sold as beef, making the dairy industry and the beef industry two parts of a larger whole.
- 6% to 10% of dairy revenues comes from sales of cattle and calves for beef.
- Dairy cows make up nearly half of the total cow slaughter and can have a tremendous impact on the beef industry.
- Any government program that would create an incentive for culling dairy cows would have an impact on beef markets. More dairy cows entering the beef market means lower prices for beef cattle.
- In these difficult economic times, beef prices are especially sensitive to additional supply. The timing of any herd liquidation must be carefully orchestrated in order to prevent market disruption.
- We want dairy producers to be profitable, but not at beef producers' expense, and not via government programs that choose winners and losers.