

Amendment 3526 -- Strikes the requirement in the Farm Bill for the U.S. Department of Agriculture to establish artisanal cheese centers.

Section 6023 of the Harkin substitute for the Farm Bill requires the U.S. Department of Agriculture (USDA) to create “artisanal cheese centers to provide educational and technical assistance relating to the manufacture and marketing of artisanal cheese by small and medium sized producers and businesses.”

Artisanal cheese is “cheese that has been hand-crafted in small batches according to time-honored techniques, recipes, and traditions,” according to the Cheese Connoisseur's Glossary.^[1] Artisan cheeses include: Roquefort, Gorgonzola, Stilton, Cabrales, Parmigiano-Reggiano, Aged Gouda, Pecorino Toscano, and Sbrinz.

Artisanal cheese has become popular in the U.S. in recent years. In an article outlining how artisanal cheese has become trendy, the *Restaurant Report* explains that “People have always enjoyed cheese, and historically it's been as much a part of the American scene as hot dogs and apple pie. But in Europe, where people have traditionally enjoyed a more serious appreciation of fine food and wine, cheese has been much more of an integral part of the dining experience. As Americans travel more in Europe, and are exposed to the European respect of things like cheese, they bring this appreciation home with them. The end result is a whole new demand for all kinds of more sophisticated cheeses.”^[2]

The growing popularity of artisanal cheese in the U.S. reflects the quality of the cheese production and underscores the fact that government intervention or interference is not needed for the success of this growing industry.

^[1] “Cheese Connoisseur's Glossary,” Artisanal Premium Cheese website, <http://www.artisanalcheese.com/products.asp?dept=1026>, accessed October 31, 2007.

^[2] Emilio Mignucci. “A Focus on Artisan Cheese,” Restaurant Report, http://www.restaurantreport.com/features/ft_artisancheese.html

With the economic challenges faced by farmers and others living in rural America, federal resources and efforts should be directed towards areas that are struggling or in need of assistance.

This amendment simply strikes the requirement for the federal government to establish artisanal cheese centers.

Production and Consumption of Cheese, Especially Artisanal Cheeses, Is Increasing Dramatically in the U.S. Without the Intervention of the Federal Government

The Farm Bill authorizes “such sums as are necessary” for the establishment of Centers devoted to the future of handcrafted cheeses.

The reality is no sums are needed from the federal government for this purpose.

“American producers' are now turning out world class cheeses, and very often, they're less expensive and much more accessible,” according to the *Restaurant Report*.^[3]

In 2005, the latest year for which information is available, cheese production in the United States continued strong growth, hitting a new record high of 9.137 billion pounds. This is an increase of 2.7 percent over 2004. In 2006, total cheese production was on target to break 2005's record, increasing by 139 million pounds, or 3 percent, during the first six months.^[4]

Data from the most recent census of manufacturing in 2002 show that the total wholesale value of cheese and cheese products manufactured in the United States was \$20.1 billion. That year, the cheese manufacturing industry employed 37,700 people with a total

^[3] Emilio Mignucci. “A Focus on Artisan Cheese,” *Restaurant Report*, http://www.restaurantreport.com/features/ft_artisancheese.html

^[4] “Cheese Production Overview,” International Dairy Foods Association, http://www.idfa.org/facts/cheese/cheese_production2005.pdf

payroll of \$1.65 billion. There were 501 plants reporting cheese manufacturing activities in 2002.^[5]

According to the International Dairy Foods Association, U.S. “cheese consumption continues to rise, sustaining its three-decade march forward. As consumers and foodservice outlets find novel uses for old favorites and experiment with new varieties, 2005 cheese consumption reached a record high of 31.4 pounds per capita.” The industry estimates that there are now more than 300 varieties of cheese available in the U.S. marketplace.^[6]

Artisan cheese-making is flourishing in the U.S., according to Allison Hooper, president of the American Cheese Society and co-founder of the Vermont Butter and Cheese Company.^[7]”

A recent article in the *Cape Cod Times* noted that “The appearance of artisanal cheeses on the menus of finer American restaurants... has become common, especially as a component of the salad course.”^[8]

The American palate has also been branching out into specialty and artisan cheeses, shown by the substantial growth in supermarket sales of many smaller categories, led by havarti (up nearly 13 percent), goat cheese (up 7.7 percent) and gorgonzola (up 5.5 percent).^[9]

From 1994 to 2003, specialty cheese consumption grew by 94 percent, according to a California Milk Advisory Board study.^[10]

^[5] Cheese Production Overview,” International Dairy Foods Association, http://www.idfa.org/facts/cheese/cheese_production2005.pdf

^[6] “Cheese Sales & Consumption Overview,” International Dairy Foods Association, http://www.idfa.org/facts/cheese/cheese_consumption2005.pdf

^[7] Terry Ward Libby. “When guests arrive, say cheese,” Cape Cod Times, October 3, 2007; <http://www.capecodonline.com/apps/pbcs.dll/article?AID=/20071003/LIFE/710030307>

^[8] Terry Ward Libby. “When guests arrive, say cheese,” Cape Cod Times, October 3, 2007; <http://www.capecodonline.com/apps/pbcs.dll/article?AID=/20071003/LIFE/710030307>

^[9] “Cheese Sales & Consumption Overview,” International Dairy Foods Association, http://www.idfa.org/facts/cheese/cheese_consumption2005.pdf

^[10] Jerry Dryer. “Cheese becoming a U.S. specialty,” Dairy Foods, January 2005 http://findarticles.com/p/articles/mi_m3301/is_1_106/ai_n8966434

The study found that while total consumption increased by 1.8 billion pounds during the decade, imports of cheese grew by only 145 million pounds. The study identified more than 350 specialty, artisan and farmstead cheesemakers from across the country. Many of the current cheesemakers have been in business less than 10 years. About two-thirds of the specialty makers are located in either California, Wisconsin or New England. In California, for example, the number of cheese varieties being produced has grown from 70 to more than 250.^[11]

"It's not just that Americans are eating more cheese, but that our tastes are changing," noted Nancy Fletcher, vice president of communications for the California Milk Advisory Board (CMAB). She added, "Americans want high quality, flavorful cheese of all types and at all price levels, and American producers are delivering on that today."^[12]

According to *Dairy Foods* magazine, "Cheesemakers are clearly responding to more sophisticated palettes. 'Make what they want and they will buy it' could be the mantra of the U.S. cheese business."^[13]

The *Restaurant Report* notes "to the cheese lover, the Artisan cheeses are well worth the investment to assure a richer and more flavored product which they have come to appreciate. As this new found discovery of cheese is reflected in our retail business, it's perfectly understandable that it's also taking place in the restaurants. It's certainly no surprise that the cheese board is indeed making a major comeback, and that restaurant customers are looking for more when it comes to cheeses."^[14]

^[11] Jerry Dryer. "Cheese becoming a U.S. specialty," *Dairy Foods*, January 2005
http://findarticles.com/p/articles/mi_m3301/is_1_106/ai_n8966434

^[12] Jerry Dryer. "Cheese becoming a U.S. specialty," *Dairy Foods*, January 2005
http://findarticles.com/p/articles/mi_m3301/is_1_106/ai_n8966434

^[13] Jerry Dryer. "Cheese becoming a U.S. specialty," *Dairy Foods*, January 2005
http://findarticles.com/p/articles/mi_m3301/is_1_106/ai_n8966434

^[14] Emilio Mignucci. "A Focus on Artisan Cheese," *Restaurant Report*,
http://www.restaurantreport.com/features/ft_artisancheese.html

Farmers and Those Living in Rural America Have More Urgent Needs Than the Creation of Federal Artisanal Cheese Centers

In recent years, American farmers and those living in rural America have faced serious economic issues, such as crop losses, drought, and other natural disasters.

The Senate Committee on Agriculture, Nutrition and Forestry notes, “Today, rural communities face enormous challenges, with loss of population and jobs contributing to a negative cycle which feeds on itself. Investments in rural development can help reverse this dynamic.”^[15]

According to USDA’s Economic Research Service:^[16]

- Per capita income in rural areas is \$26,147; For urban areas, the per capita income is \$36,153.
- Average earnings per job in rural areas is \$31,596; For urban areas, that number rises to \$48,340;
- In rural areas throughout the U.S., 23.5 percent have not completed high school; in urban areas, that numbers drops to 18.8 percent.

Addressing these issues are clearly more important priorities for rural Americans than the establishment of federal artisanal cheese centers.

^[15] Summary of Rural Development Title of Farm Bill, The Senate Committee on Agriculture, Nutrition and Forestry website, <http://www.agriculture.senate.gov/>

^[16] U.S. Department of Agriculture Economic Research Service website, <http://www.ers.usda.gov/StateFacts/US.htm> , accessed October 31, 2007

Private Cheese Centers and Associations Already Exist

Across the country, there are numerous private organizations specifically dedicated to cheese production, producers and promotion.

These include, but are not limited to:

- The **American Cheese Society**, founded in 1983 and has grown to include approximately 1,200 members;^[17]
- The **California Artisan Cheese Guild**, an organization designed to support and encourage the California cheesemaking community;^[18]
- The **California Cheese & Butter Association**, founded in the early part of the 20th century, is a trade that supports those engaged in the manufacture, sale, promotion or distribution of cheese or butter in the State of California;^[19]
- The **Maine Cheese Guild**, which supports the Maine Cheesemaking Community;^[20]
- The **New York State Cheese Manufacturers' Association**, founded in 1864, encourages, assists, advises and aids its members in the making of New York State Cheese and promotes the sale of cheese;^[21]

^[17] The American Cheese Society website, <http://www.cheesesociety.org/> , accessed October 31, 2007

^[18] California Artisan Cheese Guild website, <http://www.cacheeseguild.org/> , accessed October 31, 2007.

^[19] California Cheese & Butter Association website, <http://www.cacheeseandbutter.org/about.shtml> , accessed October 31, 2007.

^[20] The Maine Cheese Guild website, <http://www.mainecheeseguild.org/guild.html> , accessed October 31, 2007.

^[21] New York State Cheese Manufacturers' Association website, <http://www.newyorkcheese.org/> , accessed October 31, 2007.

- The **New York State Farmstead and Artisan Cheese Makers Guild**, organized in November 2002 to foster a strong and vibrant farmstead artisan cheese-making sector in the state and to support its growth;^[22]
- The **Oregon Cheese Guild**, founded in 2006, dedicated to the art and craft of making cheese and to promoting Oregon Artisan Cheese Guild Members on a national and international level;^[23]
- The Southern Cheesemakers Guild, which exists primarily for “mutual support and knowledge exchange” among cheesemakers who live and work in the southern United States;^[24]
- The **Vermont Cheese Council**, dedicated to the production and advancement of Vermont cheese;^[25] and
- The **Wisconsin Cheese Makers Association**, now in its 115th year, “gives voice to Wisconsin dairy processors on national and state issues” and “fights to maintain a positive competitive climate” for cheese and butter manufacturers and marketers.^[26]

Other organizations also exist to support producers and promotion of dairy products, including cheese.

And "The Atlas of American Artisan Cheese," a book authored by Jeffrey Roberts, was published in June 2007. An Amazon.com book review states “Now, thanks to [this] new book, you can have your own cheese trail adventure virtually anywhere in the United States. According to *The Atlas of American Artisan Cheese*... 43 states have artisanal cheesemakers, including Hawaii and Alaska. ... Mr. Roberts, a founder of the Vermont Institute for Artisan Cheese at the University of Vermont, has ferreted out stories of about 350 of the

^[22] The New York State Farmstead and Artisan Cheese Makers Guild website, <http://www.nyfarmcheese.org/about.asp> , accessed October 31, 2007.

^[23] Oregon Cheese Guild website, <http://www.oregoncheeseguild.org/> , accessed October 31, 2007.

^[24] Southern Cheesemakers Guild website, <http://www.southerncheese.com/index.html>, accessed October 31, 2007.

^[25] Vermont Cheese Council website, www.vtcheese.com , accessed October 31, 2007.

^[26] Wisconsin Cheese Makers Association website, <http://www.wischeesemakersassn.org/about-us.html> , accessed October 31, 2007.

400 cheesemakers he has found in America so far. Each profile is filled with all the useful information a cheese fiend would want to have. There are lots of photos: the cheeses look delicious and the farmers kindly while the lambs, cows and goats never look posed but always look winsome. Even if you can't take a tour, the atlas provides a useful introductory course on artisanal cheeses and tells how to order many of the cheeses online.^[27]

Clearly, artisanal cheese producers and consumers do not need the federal government to provide additional educational or marketing assistance as plenty of producers, organizations, and resources are already available and already conducting these efforts.

The Federal Government Currently Provides Financial Assistance for Dairy Producers

The USDA's Commodity Credit Corporation (CCC) has a standing offer to purchase surplus cheese from dairy processors. USDA's standing offer is \$1.1314 per pound for block cheddar and \$1.1014 per pound for barrel cheese.

According to the Congressional Research Service (CRS), "whenever market prices fall to the support level, processors generally make the business decision of selling surplus product to the government rather than to the marketplace. Consequently, the government purchase prices usually serve as a floor for the market price."^[28]

CRS notes "Government purchases of surplus dairy products have been relatively small since late 2003, as market prices have remained above the support price during that period."^[29]

This government market safety net provides cheese producers financial assurance that the government will protect them if need be.

^[27] Amazon.com, http://www.amazon.com/American-Artisan-Cheese-Jeffrey-Roberts/dp/1933392347/ref=sr_1_1/102-0578288-8140930?ie=UTF8&s=books&qid=1193927631&sr=8-1, accessed October 31, 2007.

^[28] Ralph M. Chite. "Dairy Policy and the 2007 Farm Bill," Congressional Research Service, August 3, 2007.

^[29] Ralph M. Chite. "Dairy Policy and the 2007 Farm Bill," Congressional Research Service, August 3, 2007.

Fortunately, cheese producers have been doing very well in recent years and have not had to depend on federal intervention.

Unnecessary Programs Should Not Be Created When Congress Finds It Necessary to Appropriate Billions of Dollars in Emergency Farm Aid Every Year

Because Congress appropriates billions of dollars in emergency federal farm assistance every year, it would be shortsighted to divert needed resources to unnecessary projects, like artisanal cheese centers.

From Fiscal Year 1989 through Fiscal Year 2007 to date, 34 appropriations, authorization, or farm disaster acts added approximately \$59.04 billion in supplemental funding for USDA programs, according to the Congressional Research Service.^[30]

Approximately \$46.7 billion, or just under 80 percent of the total amount, was for FY1999-FY2007 alone. The most recent supplemental agricultural appropriation was a \$3.65 billion package included in the FY2007 Iraq war supplemental appropriations act (P.L. 110-28), signed into law in May 2007, primarily to assist crop and livestock producers who suffered weather-related losses in either 2005, 2006, or early 2007.

Since FY1989, the vast majority (\$43.2 billion) of the total supplemental funding has been paid directly to farmers, primarily through two mechanisms: “market loss payments” (\$21.4 billion, all from FY1999 to FY2001) to compensate for low farm commodity prices, and crop disaster payments (\$21.75 billion) paid to any producer who experienced a major crop loss caused by a natural disaster.

The remaining \$15.8 billion has funded a wide array of other USDA programs, including livestock feed assistance programs, farm conservation programs, specialty crop assistance, farm loans, and

^[30] Ralph M. Chite. “Emergency Funding for Agriculture: A Brief History of Supplemental Appropriations, FY1989-FY2007,” Congressional Research Service, June 27, 2007.

non-farm USDA programs such as overseas food aid, food and nutrition programs, and rural development and housing assistance.

In recent years, virtually all of the supplemental spending has been provided under an emergency designation from Congress and the Administration, meaning that the new spending did not have to be offset with comparable reductions in other programs. However, in some cases a portion of the supplemental is offset by spending reductions in other programs.

**Total Annual Funding Additions Providing
Farm Disaster Assistance Since 1989^[31]**

Fiscal Year	Emergency Agriculture Appropriation Amount
1989	\$ 3.4 billion
1990	\$ 1.5 billion
1991	\$ 0
1992	\$ 1.0 billion
1993	\$ 1.9 billion
1994	\$ 3.1 billion
1995	\$ 0.6 billion
1996	\$ 0.1 billion
1997	\$ 0.5 billion
1998	\$ 0.2 billion
1999	\$ 6.6 billion
2000	\$ 14.8 billion
2001	\$ 11.3 billion
2002	\$ 0.6 billion
2003	\$ 3.6 billion
2004	\$ 0.2 billion
2005	\$ 3.8 billion
2006	\$ 2.2 billion
2007	\$ 3.65 billion
Grand Total, 1989 to Date	\$ 59.0 billion

As farmers in Oklahoma and across the Midwest recover from record droughts, floods and fires, this Farm Bill must focus on core farm and ranch needs. Handcrafted cheeses may add flavor to the next social event, but federal funding of artisanal cheese centers is completely unnecessary.

^[31] Ralph M. Chite. "Emergency Funding for Agriculture: A Brief History of Supplemental Appropriations, FY1989-FY2007," Congressional Research Service, June 27, 2007.