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Vermont, New Hampshire and New York State Legislators Working Together to Address Dairy Crisis....

Imagine a manufacturer being told how much they can charge for their product, and then being told that they must pay for the buyer to pick it up. Imagine that same manufacturer being paid at the same level as they were in 1986, but paying for all of their supplies at 2007 prices! Seems like a lose – lose situation for the manufacturer.

Well, that is exactly what happens every day on dairy farms around the northeast. Dairy farmers are locked into prices set by the federal government and then when the truck comes to pick up the milk, the farmers receives a bill! Legislators in Vermont, New York and New Hampshire are all working on legislation to address this situation.

Modeled after the Vermont bill (S78) **An Act Relating to Having the Cost of Picking Up and Hauling Milk Paid by the Purchaser**, the legislators are working together to create a regional response to this unfair, antiquated system.

The Vermont bill (S78), sponsored and researched by Sen. Harold Giard, member of the Senate Agriculture committee, would require purchasers, not farmers to pay to have milk hauled to the processing plant. Vermont law already dictates that once milk is transferred from a farm tank to a tank truck, it is owned by the purchaser. According to Sen Giard, “On a 90 cow dairy this could save as much as \$20,000 a year for that farmer. On a 300 cow dairy the savings could be as much as \$80,000! This is not a one time government payment, but an ongoing savings that amounts to the difference between a farm surviving and going under.”

On a recent conference call organized by the Council of State Governments; Northeast States Association for Agricultural Stewardship (NSAAS), representatives of all three state agriculture committees discussed the challenges facing farmers in their own states.

Rep. Jay Phinizy, Chair of the New Hampshire House Agriculture Committee, noted that, “Time is essential, our dairy farmers are looking to us to understand the problems in current dairy pricing issues and address them. The number of bills introduced on dairy this year is an indicator of legislative concern and interest in this issue. Learning what is happening in other states will help us to craft solutions without reinventing the wheel.”

Assemblyman Darrel Aubertine, member of the New York Assembly Agriculture Committee and former dairy farmer has participated in dairy hearings around his state and said, “Transportation costs are rising as gas prices rise, but milk prices are staying the same, farmers are doing everything they can to reduce their costs of production, but some things they cannot control. This is one of them.”

“The other issue,” said Senator Sara Kittell, Vermont Ag Chair, “is that while prices have been going down to farmers, the prices in the supermarket have not. Consumers would be amazed to know that supermarkets make almost as much on a gallon of milk as the farmers who work day and night to produce it.”

Transportation costs are not the only issue facing dairy farmers in the northeast, and this group has committed to continuing to work together to address issues that are basically the same in all the northeast states.

Sen Bobby Starr, member of the Vermont Senate Agriculture Committee, pointed out that, “The only time that we have had stability in the northeast dairy market is when we have worked together, like when we had the Northeast Dairy Compact. This may not be the Compact, but I believe that working together will make us more effective in addressing the problems facing our farmers.”

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