

**STATEMENT OF VERMONT DAIRY INDUSTRY REPRESENTATIVES TO
SECRETARY VILSACK, BURLINGTON, VERMONT,
FEBRUARY 13, 2010**

The dairy industry is a crucial economic engine for the state of Vermont and the entire Northeast. Each dairy cow generates about \$14,000 in economic activity annually. That equals over \$1.5 billion in the Green Mountain state. The Vermont countryside had a working landscape with several thousand farms just a few decades ago. That number has fallen to 1,019. The number of dairy farms in Vermont will certainly fall well below a thousand in 2010 if nothing is done to address the serious problems facing dairy farmers.

Dairy farmers in Vermont, and throughout the Northeast, provide nutritious milk and other dairy products to consumers. Fresh milk is one of the few food commodities in which the Northeast is self-sufficient. Local milk production, dairy processing and manufacturing and dairy product inventories provide a significant level of food security for consumers, but that security only exists because active dairy farms exist in the region.

Insufficient farm milk prices coupled with continued price volatility have adversely affected Vermont dairy farmers as well as their peers throughout the nation. Dairy farmers from around the country are working toward a solution to address these serious farm milk price issues. We ask that you and President Obama give serious consideration to these proposals.

Basic tenants of any program going forward should include:

1. Minimize price volatility and protect the gross margins & farm price adequacy for dairy producers.
2. Farmer participation must be 100 percent.
3. There should be minimal government control; maximum farmer involvement.
4. Consideration of the impact of imports & exports, including the requirement that imports meet the standards set for U.S. dairy products.
5. Enhance local food security, recognize consumer desire for local foods and acknowledge that dairy is unique due to its year round local production, processing and storage.
6. farm milk supply should be managed to meet these goals
7. **Action is needed immediately; it can not wait until the 2012 farm bill.**

We assert that it is crucial that USDA take the following actions as soon as possible:

1. Enact and fund the provisions in the 2008 Farm Bill relating to dairy, including improved dairy product price reporting and transparency in the price discovery process.
2. Agree to hold a Federal Order public hearing to consider flooring the Class I fresh drinking milk price at the earliest possible date. Support for such a price floor was recently endorsed by the Commissioners and Secretaries of Agriculture in the Northeast states. We recommend this hearing address setting an adequate minimum Class I price mover for all Federal Orders as well as allow adjustments on the Class I price to accommodate changes in energy and other costs associated with dairy farming.
3. Continue to use the DEIP program to the maximum extent possible to assist dairy product exports.

On behalf of all dairy farmers we thank you for the actions you have taken. These include:

- a. Temporary Increase in the price levels within the Price Support program.
- b. Your statement in New Hampshire earlier this year recognizing regional differences. As you noted, ethanol was the right thing to do for the Midwest – dairy now needs regional support.
- c. Your recognition of the need to connect consumers with producers through Regional Food Systems and the “Know Your Farmer, Know Your Food” program.
- d. Reactivating the Dairy Export Incentive Program.
- e. Prompt distribution of Dairy Economic Loss Assistance Payment Program monies to most producers prior to the end of the year.
- f. Recognition of the importance of the Guest Worker Program and your concern for immigration issues.
- g. Your willingness to visit the New England states providing visibility and accessibility to producers.

Those in agreement with the above points include:

Agri-Mark – Bob Wellington	Dairy Farmers Working Together, Dairy Producer – Bill Rowell
Agri-Mark, Dairy Producer – Paul Percy	Dairy Farmers Working Together, Dairy Producer – Dick Longway
Agri-Mark, Dairy Producer – Robert Foster	Farm Bureau of Vermont – Jackie Folsom
Agri-Mark, Dairy Producer – Paul Doton	Holstein Association USA – Lucas Sjostrom
Dairy Farmers Of America Northeast Council/Dairylea – Karen Cartier	St. Albans Cooperative Creamery, Inc. – Leon Berthiaume
Dairy Farmers of America Northeast Council, Dairy Producer – Robin Sweet	St. Albans Cooperative Creamery, Inc, Dairy Producer – Ralph McNall
Dairy Farmers of America Northeast Council, Dairy Producer – Doug Nelson	St. Albans Cooperative Creamery, Inc. Dairy Producer – Dave Montagne
Dairy Farmers Working Together – Tom Bellavance	Vermont Ag Credit Corporation - Sarah Isham
Dairy Farmers Working Together – Harvey Smith	Vermont Ag Credit Corporation – Dave Lane
Dairy Farmers Working Together – Margaret Laggis	Vermont Secretary of Agriculture – Roger Allbee
Paul Bourbeau, appointee to the newly formed US Dairy Advisory Board	

*** Resolution:**

The Commissioners and Secretaries of Agriculture in the Northeastern States endorse the development and submittal of a petition, as soon as possible, to the U.S. Department of Agriculture in conjunction with the dairy cooperatives in the Northeast for the flooring of Class 1 pricing.