

Environment Committee
JOINT FAVORABLE REPORT

Bill No.: SB-1155

Title: AN ACT CONCERNING DAIRY FARM PRESERVATION.

Vote Date: 3/9/2007

Vote Action: Joint Favorable

PH Date: 3/2/2007

File No.: 109

SPONSORS OF BILL:

Rep. James Field Spallone, 36th Dist.

Rep. Steven T. Mikutel, 45th Dist.

REASONS FOR BILL:

To promote state commerce, agriculture and the preservation of open space by providing emergency funding to dairy farms to alleviate the crisis they face with increasing cost of production.

RESPONSE FROM ADMINISTRATION/AGENCY:

NATURE AND SOURCES OF SUPPORT:

Melissa Greenbacker, Past Chair of The CT Farm Bureau Young Farmers Committee, member of CT Farm Bureau Association, Inc. – Supports this bill because federally regulated milk prices have collapsed at the same time that production costs have skyrocketed. Our state's dairy farms are the largest stewards of agricultural open space in the state. Multi-generational Connecticut farms, supporting several families, who milk 300-400 cows saw their income and costs affected proportionately and could lose well in excess of hundreds of thousands of dollars this year.

Gordon Gibson, Legislative Director, CT State Grange – Supports this bill because in recent years many dairy farmers in Connecticut have gone out of business because it was costing them more to produce their milk than they were being paid for it. Other industries pass such costs along to the consumer, but our dairy farmers are not able to do this. Every time a dairy farm closes we lose not only part of our supply of fresh, local milk, but in most cases we also irretrievably lose that

farmland to development.

Kachina Walsh-Weaver, Senior Legislative Associate, Connecticut Conference of Municipalities – Supports this bill because since 1988, Connecticut has lost more than 100,000 acres of farmland, most of it swallowed up by suburban development. Our state is among the top 10 states to lose land to development between 1982-1997, at a rate of 2 percent a year – twice the national average. The selling of property that may have held dairy products is detrimental to the state's economy and also creates more development and exacerbates developmental sprawl.

Robert Jacquier, Laurelbrook Farm – Supports this bill because our 2006 farm income deficit has put us in a financial crisis. Recovering from 2006 has by no means allowed us to cash flow or finance the 2007 crop expenses; utility increases, or increased feed costs. The short-term emergency funding is necessary to bridge the gap between now and the implementation of a milk price program that will be coming before the committee on March 23.

David Jacquier, Elm Knoll Farm – Supports this bill because in 2006 my cost to produce a gallon milk was \$1.52 per gallon without any return on investment or personal income. There are only 163 dairy farms left in the state right now and I myself have been contacted by farmers who have offered me their dairy herds. I feel that the allocation of 100 million dollars for land preservation is definitely unnecessary as there will not be farmers to carry on the stewardship of this land.

Peter Orr, The Farmers Cow, Very Alive and Fort Hill Farms – Supports this bill because the USDA has continued a policy of one milk price for all producers across the country without recognizing any regional differences for the cost of production. For 2006, Connecticut Dairy Farms received the same or lower price for milk as received 20 plus years ago, but have the expenses of today. What is needed now is the recognition of what local Connecticut Dairy farms require and that is to cover their cost of production.

Chris Hannan, Dairy Management Consultant, Cargill Animal Nutrition – Supports this bill because about 60% of our total business comes from the dairy industry, which means that they are crucial for our business. The Dairy industry in the state of Connecticut has reached new levels of desperation as producers have faced the combination of low milk prices and record high grain prices. The dairymen of Connecticut desperately need the passage of SB1155 very quickly because many farms have exhausted their financial resources and with the need to plant this year's crops just a couple months away emergency relief is desperately needed.

Adam R. Moore, Executive Director, Connecticut Forest & Park Association – Supports this bill because dairy farms are extremely important to not only the business of agriculture in Connecticut, but also the Face of Connecticut as we know it. Dairy farming keeps a great amount of land in a pastoral setting that epitomizes the landscape of rural Connecticut. Economic conditions associated with the price of the milk commodity have made it difficult for this essential agricultural enterprise to persist in Connecticut and in New England.

Bill Peracchio, dairy farmer in Coventry – Supports this bill because With inadequate milk prices, these acres [1100 acres owned and another 500 to 600 rented] are in jeopardy of being sold to developers. Our business uses many inputs to make milk, such as milking equipment, supplies, farm machinery, trucking and veterinary to name a few. Most of these businesses depend on our livelihood for them to make a living. With inadequate milk prices, these acres [1100 acres owned and another 500 to 600 rented] are in jeopardy of being sold to developers.

Benjamin Freund, Freund's Farm in East Canaan – Supports this bill because the legislature

needs to understand the dairy industry as a single important investment of natural resources and human capital that is teetering on extinction. The national milk pricing system does not fairly treat the Connecticut dairy industry; rather, it favors the continued development of mega dairies of thousands of cows in the far west. We need help from the legislature to keep our businesses viable until the State can complete its task of instituting a permanent plan.

Ned Ellis, Maple Leaf Farm in Hebron (oral testimony) – Supports this bill because we cannot receive 1980 prices for our product, while we're paying 2007 inputs. We're not on a level playing field with the rest of the nation for what it costs to produce milk. Much higher costs exist for transportation, both rail and truck, feed, workers' comp, energy, fertilizer, and support industries. Currently we have no control over what we receive for our milk. It is imperative that the General Assembly realize the gravity of the dairy situation.

Braith Kelley, Attorney from Canterbury – Supports this bill because we lose opportunities to help these farms with long-term solutions if we don't act now. Without the state stepping in at this moment, there really isn't a whole lot of time left for [Bass farm in Scotland], and many other farms in the state. Now, we have 164 some dairy farms in the State of Connecticut. It would be a very simple solution to change their [electric] rate. The DPUC has the power to do that.

NATURE AND SOURCES OF OPPOSITION:

Reported by: Geoff Luxenberg, Committee Clerk

Date: March 27, 2007