



NEW YORK STATE SENATOR

Catharine Young

Senate Delivers on Promise of Relief to Dairy Farmers

CATHARINE YOUNG May 11, 2007

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Checks are in the mail to provide relief to New York's strapped dairy farmers, thanks to a \$30 million Dairy Assistance Program that was spearheaded and championed by the state Senate Republican Majority during this year's state budget. Almost \$2.6 million is being sent to 530 dairy farmers in Chautauqua, Cattaraugus, Allegany and Livingston Counties to help offset devastating losses to farms because of 25-year-low milk prices announced Senator Catharine Young (R,I,C - Olean).

"This is the first dairy program of its kind in the history of New York State," said Senator Young. "These checks, hitting mailboxes this week, come at a critical time for New York's dairy farmers, just in time for spring planting. I'm thrilled that the Senate was successful in its fight for \$30 million in direct assistance."

"The dairy industry serves as the backbone of the upstate economy and the economic impacts of our \$3 billion industry ripples through a large number of local economies across New York," said John W. Lincoln, President, New York Farm Bureau. "This considerable investment in the dairy industry will go a long way in helping to financially strengthen dairy

farms in a time of extremely low commodity prices and very high energy and livestock feed prices. Moreover, this major investment in the dairy industry will also be felt by the many businesses in our rural communities that support the farm industry. Quite simply, this investment is a win-win for upstate New York. We thank Senate Majority Leader Bruno, Senator Young and the entire Senate Majority for their support of agriculture."

As part of this year's budget negotiations the Senate Majority successfully fought to secure the \$30 million in funding to provide direct and immediate financial relief to New York's beleaguered dairy industry. In contrast, the original proposals advanced by Governor Spitzer and the State Assembly provided no financial assistance package for dairy farmers.

The State Budget established a new Dairy Assistance Program within the New York State Department of Agriculture. The program, which is similar to an initiative used in the State of Vermont, pays eligible farmers the difference between target prices established by the Agriculture Commissioner and the combined Northeast Federal Order Statistical Uniform Price, plus the amount of the Milk Income Loss Contract X payment rate on a per-hundredweight basis.

Dairy Producers will receive payments from the State in the form of a separate check based on pounds of milk produced during the 2006 calendar year. Under the law, these payments are to be made within thirty days of the proposal's enactment.

Applications for payment from the Dairy Assistance Program were to be hand-delivered to the Department of Agriculture and Markets or postmarked by April 27, 2007. As of May 1, the Department had received approximately 5,000 applications which account for approximately 90% of the milk in the State eligible for the program. After conducting the appropriate eligibility reviews, State officials now expect to send checks to 4800 participants

on Wednesday May 9, 2007.

Dairy farming is a vital part of the fabric of the state's rural communities, generating tens of thousands of jobs both on and off farms, and productively employing millions of acres of farmland. Unfortunately, high fuel and feed costs, labor shortages and flooding have created a "perfect storm" scenario that has had a devastating economic impact on many milk producers. In addition, low milk prices, an outdated price control system administered by the United States Department of Agriculture (USDA), and the escalating cost of running a family farm have resulted in unprecedented losses for dairy farms across the State.