



NEW YORK STATE SENATOR

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Dairy Crisis Looms

JAMES L. SEWARD July 23, 2009

In our ever evolving world, one thing has not changed: farming remains the number one industry in New York state. Despite that fact, many of our hard working farmers are being forced out of business, while others are in need of a lifeline to preserve this time honored tradition.

According to the New York State Department of Agriculture and Markets, agricultural production returned over \$3.6 billion to the farm economy in 2005 (the last year data was available). Nationally, New York ranks high in a number of categories including meat production, poultry production and crop production. These sectors are all important, but the top producer in New York remains the dairy industry. When it comes to dairy production New York is third nationally, behind only California and Wisconsin, with cash receipts from milk sales totaling almost \$2 billion.

For several years now the amount of money paid to farmers for milk has been dropping even though production costs and fuel prices continue to rise. Feed prices are up making it more expensive to maintain a healthy herd. Fuel prices have skyrocketed boosting the amount of money it takes to get the milk to market. It does not take an accountant to realize the profit margin is shrinking dramatically.

I have long advocated for initiatives aimed at helping struggling dairy farmers stay in business. Most significantly, as part of the 2007 – 2008 state budget, I led the fight to create the Dairy Investment Act which provided \$30 million in immediate financial assistance. For many farmers on the edge, this funding was the support they needed to remain in business.

The New York Farm Viability Institute is another project I have backed. The grassroots effort awards grants to farmers for research and education projects that help farms increase profits.

During this year's budget process I called for similar help, but the New York City politicians in charge crafted a spending plan which ignores the needs of the farming community. In fact, the state budget, which was signed into law by Governor Paterson, made major cuts to a pair of important dairy programs. The Cornell Center for Dairy Excellence lost \$200,000 and \$393,000 was taken from the Quality Milk Promotion program. These educational initiatives help farmers in achieving greater profitability through higher milk quality and improved herd health. Now these programs are forced to try to accomplish these goals with fewer resources.

I am encouraged that several worthy proposals are being discussed at the federal level. Now federal and state officials need to come together to provide meaningful assistance to dairy farmers. I have heard from farmers throughout the region and recently took part in an emergency summit where I listened to the dire straits many are facing. Family farms that have been passed down from generation to generation are in danger of shutting down.

When those who wear three piece suits on Wall Street came calling, Washington D.C. was quick to the rescue with a massive bailout costing billions of dollars. Now it is time to help

those who produce our food and work the land.

The governor has control of close to \$1 billion in federal stimulus money from the American Recovery and Reinvestment Act (ARRA), which has yet to be appropriated. In order to head off the escalating dairy crisis, I am calling for \$60 million to be allocated from ARRA to help save struggling farmers.

The money will not only help farmers to make ends meet but will also assist many others. Farming has a huge impact on other sectors of the economy -- equipment dealers, feed haulers and trucking companies are just a few of the businesses that depend on the success of our local dairy farms.

Farms are vital to our area and our way of life. Spending stimulus money to keep these stewards of the land in business will boost the upstate economy, protect our food supply and ensure the well-being of our state's number one industry.