

LEGISLATIVE OFFICE BUILDING
ALBANY, NEW YORK 12247
(518) 455-3131

41 S. MAIN STREET
ONEONTA, NEW YORK 13820
(607) 432-5524

WWW.SENATORJIMSEWARD.COM
SEWARD@SENATE.STATE.NY.US

THE SENATE
STATE OF NEW YORK



JAMES L. SEWARD
SENATOR, 51ST DISTRICT

September 10, 2009

Hon. Andrew M. Cuomo
Attorney General
State of New York
State Capitol
Albany, NY 12224-0341

Dear Attorney General Cuomo:

I am writing to urge you to investigate current practices in the dairy industry to determine why farmers are paid so little for their milk when consumers are paying so much and dairy processors are reporting record profits.

As you may know, dairy farmers are currently facing a crisis of a magnitude that we have not seen in many years. I have heard first-hand the desperate cries for help from my constituents who are struggling to make ends meet and provide for their families.

The latest figures for September show dairy farmers earning a mere \$10.93 per cwt of milk, compared to \$18.63 per cwt of milk at this time last year. The extremely low milk prices, high taxes, increasing fuel, fertilizer and energy costs, along with other rising costs of production make operating a dairy farm unsustainable for many farmers.

At the same time these hard working dairy men and women are suffering due to factors beyond their control, dairy processors and co-ops are reporting record profits. While dairy farmers have seen as much as a 40-50 percent drop in the prices they are paid for their raw milk, large processors such as Dean Foods have reported a 31 percent gain in profits during the first half of this year. It is clear to see who the winners and losers are in this scenario.

Additionally, one could also assume that the retail price of milk would decrease as well in correlation to the dramatic drop in raw milk prices paid to farmers. However, this is clearly not the case, as retail milk prices have remained relatively stable with consumers experiencing only modest decreases in the price they pay for milk at the grocery store.

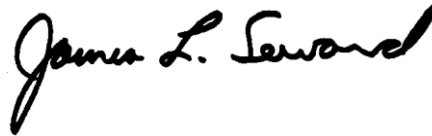
While I am pleased that some action has been taken by the federal government to increase prices paid to farmers, including the USDA's decision to temporarily raise payments from the dairy price support program, I believe a deeper investigation into the practices of the industry is warranted. It is entirely possible that there may be violations of price gouging and/or anti-competitive laws occurring within the industry.

It is my understanding that your office has been made aware of some of problems facing the dairy industry and that an assistant attorney general has been assigned to work on the issue. I certainly welcome this and urge you to remain committed to this issue so that we can provide much needed relief to our hard-working dairy farmers. If there is any assistance that I can provide in this endeavor, please do not hesitate to call on me.

Again, thank you for your attention to this matter and I look forward to hearing from you.

With best wishes, I remain

Sincerely yours,

A handwritten signature in black ink that reads "James L. Seward". The signature is written in a cursive, flowing style.

JAMES L. SEWARD
State Senator