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THE SENATE
STATE OF NEW YORK



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July 30, 2009

Hon. David A. Paterson
State Capitol
Albany, NY 12224

Dear Governor Paterson,

The dairy industry in New York State is in severe crisis and faces devastating losses of hundreds, if not thousands of farms. Already, there are countless reports of large and small farms going under, including a 1,000 cow dairy in Western New York. Our Upstate economy is being dealt a crippling blow, making New York's economic and budgetary outlook even bleaker.

Farmers are faced with some of the worst economic conditions ever seen. Costs such as feed, fertilizer, fuel and utilities have been steadily rising and farmers continue to struggle with costly environmental and hauling compliance regulations. Dairy farmers have been hit the hardest, as higher costs have coupled with plummeting milk prices that have been at record low levels for months on end.

As of June of this year, farmers are being paid about \$11.50 per hundredweight of milk - down approximately \$7.40 from last year at this time. A recent study by Cornell University estimated that farmers need at least \$17.00 per hundredweight in order to meet their production costs.

I urge your strongest consideration and support for an appropriation of \$60 million of ARRA stimulus money to address the escalating dairy crisis. With this needed relief, the state can provide additional direct payments to producers of approximately 50 cents per hundredweight for 12.4 billion pounds of milk production, based on 2008 milk production levels.

In the 2007-08 budget, we passed the Dairy Assistance Program, which provided \$30 million of immediate State financial assistance to struggling farmers. We must replicate that successful program, and increase the level of emergency assistance. Unfortunately, the 2009-2010 state budget did not include any funding to assist dairy farmers during their current time of crisis.

Between pasteurizing, manufacturing, and transfer stations, we have approximately 107 dairy processing plants across our state which employ approximately 25,000 people. In addition, countless agriculture-related small businesses depend on a thriving dairy farm industry. Without our farms, these businesses and jobs will cease to exist in New York State. Small towns and cities across the state will suffer, and out-migration of our citizens will be escalated.

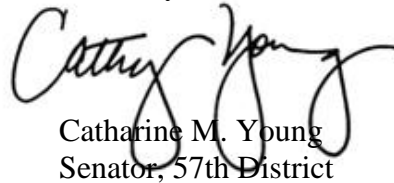
Because agriculture, particularly dairy farming, remains New York's number one industry and the backbone of our economy, we must ensure that our farmers have a prosperous future.

With the agriculture industry at the tipping point, directing a portion of New York's designated ARRA stimulus money towards local farmers would undoubtedly alleviate some problems and help farm communities emerge from this economic crisis.

While the State should make a financial commitment to save our farms, we also need a national response. Ultimately, the federal government should set sounder policies that focus on strengthening the dairy industry, especially in the Northeast. I urge you to continue working with President Barack Obama and Congress to implement appropriate federal legislative solutions for agriculture, including passage of the MILC program, and reform of the Federal Milk Marketing System.

Thank you for your immediate consideration of this matter. I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Catharine M. Young". The signature is fluid and cursive, with the first name being the most prominent.

Catharine M. Young
Senator, 57th District

Cc: Patrick Hooker, NYS Agriculture and Markets Commissioner
Dean Norton, NYS Farm Bureau President
Julie Suarez, NYS Farm Bureau Director of Public Policy
Oliver Orton, NYS Grange President
Roger Halbert, NYS Grange Executive Committee