

Brattleboro Reformer

State hopes programs will shore up ailing dairy industry

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Wednesday, April 30, 2003 - BRATTLEBORO -- Responding to record lows in wholesale milk prices, agriculture officials are urging Vermont's dairy farmers to take part in two new programs intended to help stem the loss of dairy farms across the state.

"These (programs) are ingredients for helping out the industry," said Roger Allbee, executive director of the Farm Service Agency. "We hope to help the farmers who can stick it out in the long run."

Signed into law by Gov. James Douglas on April 25, and available to dairy farmers as of Monday morning, the separate programs allow farmers to defer debt payments for up to nine months and to apply for loans of as much as \$100,000 per farm.

According to the state Department of Agriculture, Food and Markets, the Vermont Economic Development Authority will guarantee losses incurred to banks by farmers taking part in the deferment program.

Agriculture Commissioner Steve Kerr said he hopes the programs will allow some of the state's approximately 1,450 dairy farms to restructure debt and increase their existing capital for the current growing season. For about the past 18 months, he said, dairy farmers across the nation have been beset by poor wholesale milk prices, which some have cited as being the lowest, relatively, since the Great Depression. During the same period, dairy processors have reported increased profits as the retail price of milk continues to rise. The standard uniform price of milk in March stood at \$11.43 per 100 pounds.

"It's staggering," Kerr said Tuesday. "The only people not benefiting (from the price of milk) are the farmers."

He added that as dairy farms across the country continue to cease operation at a rate of about 15 percent each year, the programs are an attempt to shore up as much of Vermont's dairy infrastructure as possible.

"The state of Vermont cannot improve the price of milk," he said. "No state, not even a large state like California, can do that. So, the choice then is to either walk away from dairy farmers -- which some states have done -- or to do something about it."

"We're doing this for the state's economy as well as for farmers," he added. "For the want of \$25,000 or \$30,000, a dairy farm might go out of business, and that just doesn't make good economic sense (for the state)."

Helen Robb, who owns and operates the 100-head Robb Family Farm in West Brattleboro with her husband, Charles, said she and her husband are aware of the programs but probably won't apply. She said that while the programs may be of benefit for some farmers, they still concentrate heavily on the concept of loans, which does nothing to relieve overall farm debt.

"We're really happy with Gov. Douglas and Steve (Kerr), because they really understand what (farmers') problems are," she said. "The programs may work for some families but what we really need is a better price for milk."