

CT Legislators Discuss Help for Dairy Farmers and Consumers

by Patricia Green

Connecticut State Senator Andrew Roraback of the 30th District, in the Northwest corner, held an informal meeting on January 24th, at the Legislative office Building to discuss possible ways to assist financially stressed dairy farmers. The Attorney General's "Fair Share" milk pricing anti-gouging law was also discussed.

Senator Roraback met with Representative George Wilbur, Representative Roberta Willis, Milk Commission Chair Mae Schmidle, dairyman Bob Jacquier, Connecticut Farm Bureau Legislative Director Bonnie Burr, UCONN Food Marketing Policy Center Director Dr. Ronald Cotterill and others to review what was being done in neighboring New England states and what could be done in Connecticut.

Senator Roraback said he would pursue any legislation, including the price gouging bill, if it was thought it would help the farmers, later stating that, "if its not going to help my farmers, then I'm not going to spend a lot of my time on that."

Concern Across New England

Schmidle stated that she had spoken with all the New England Agricultural Commissioners, except for Massachusetts Commissioner Doug Gillespie, and shared copies of New Hampshire's proposed act to prohibit "unfair trade practices in the production and sale of milk and dairy products" as well as an article from the *Boston Globe* referring to Massachusetts Secretary of State William Galvin's legislation that would "Make it a crime in Massachusetts to sell milk at "unconscionably excessive" prices."

In addition Schmidle provided copies of Maine's proposed legislation to establish a milk tax on retail milk in grocery stores and an accompanying fund to compensate farmers for low milk prices.

Senator Roraback said they could never hope to do what Maine is proposing but hoped that Connecticut's proposed bill, which is similar to those in New Hampshire and Massachusetts would help.

Consumer Issue Bill Proposed

Burr said that she had met with Farm Bureau's Dairy Committee, and while they would support the proposed bill as a consumer issue, they could not support it as a farmer issue. They felt the "Fair Share" price-gouging bill would be a nightmare to administer,

she said, and asked that Dr. Cotterill remain focused on the Compact. Burr said the committee felt a regional solution was more appropriate than individual state efforts.

Dr. Cotterill bristled at the suggestion that the farmers should suggest what he should focus his efforts on, but Burr responded by saying that the farmers didn't want to pursue this legislation for fear of alienating the retailers.

Many of Connecticut's dairy farmers are members of the Agri-Mark Cooperative, which owns Cabot brand cheese. Farmers fear that if they angered retailers, they would retaliate by refusing or reducing Cabot's slotting space.

Senator Roraback Asked How CT Legislators Could Help Farmers

Jacquier stated that they could continue to urge the Attorney General to keep working on the issue of the proposed take-over of Hood.

It was brought up in later discussion that if Dairy Holdings Inc. merges with Hood, it would effect over 80% of the farmers in New England. Dairy Holdings Inc. is the joint operation of DFA and Dairylea in effort to work together for the benefit of dairy farmers. If Agri-Mark who currently supplies Hood with fluid milk, loses then as a customer, several things will happen. First, Dairy Farmers of America (DFA) will supply Hood with fluid milk and ultimately control 97% of the milk in New England. This may eliminate Agri-Mark from the fluid milk market, as their only other customer of any consequence is Guida in New Britain, CT. All the member milk will then have to go into either cheese or manufacturing, unless a new fluid milk plant pops up, which will remove them from the Federal Order for Class #1 milk. This will result in farmers receiving cheese prices at \$9.85, Cotterill said.

"DFA is bad news," he voiced his opinion, "if Hood merges with DFA, they will assemble all the milk in the Northeast. That's called vertical foreclosure."

Jacquier stated that the Compact was the best vehicle to assist farmers to date. Under the current Federal MILC program, he said large, multi-family farm operations, such as his, only benefit for 6 weeks out of the year before they reach the production cap ceiling.

Compact Re-instatement A Possibility?

Even though efforts are underway to re-introduce the compact legislation on Congress, January 24th, its re-instatement is still a long shot.

Schmidle said she was told by Vermont's newly appointed Secretary of Agriculture Steve Kerr, that Vermont is putting its support behind the Compact re-instatement efforts. She also said Vermont State Representative Bobby Starr, former Compact Commissioner, was going to go on the road, contacting other states and urging support of the Compact.

Cotterill said while some seem to think there's a possibility for the Compact in Washington, he said he was personally skeptical.

Burr asked Senator Roraback to request a resolution from the General Assembly, to send to the Federal delegation, re-affirming the state's support of the Compact or similar legislation.

Senator Roraback said he thought there was political will to help the farmers and said they would pursue the resolution, but still grappled with the need to create legislation that would help immediately.

Jacquier said farmers need some kind of premium to tide farmers over until the Compact is brought back.

Need for a Price Gouging Bill

Representative Wilbur urged support of the Attorney General's price gouging bill, that prohibits processors or retailers from selling fluid milk for, "a price that is unconscionably excessive", defined as a price in excess of 140% of the price actually paid to the producer by the processor for the same fluid milk, or the price charged by a retailer to a consumer that exceeds 140% of the price actually paid to the processor by the retailer for the same fluid milk.

Wilbur concluded that by supporting the price-gouging bill, farmers would win consumer support. He then went on to say that farmers were in extreme financial difficulty and concluded that if the retail price was lowered, consumers would buy more milk, ultimately increasing Class#1 utilization and eventually enhancing the price to farmers.

Wilbur then claimed that in actuality if no other milk were being brought into Connecticut, all of the milk produced in the state would be class #1. He then suggested that the Homeland security aspect be considered and used to determine the value of a local food supply.

Class 1 Milk

Aside from the fact that Connecticut boasts no large Class #1 milk processing facility, Burr reminded Wilbur that Connecticut is part of the large Northeast Federal Milk Marketing Order and as such had to pool their milk. The prospect of keeping it all as Class #1 within the state was not possible, she said, noting that Connecticut couldn't change the Federal Order or take on the Federal government.

Legal Guidance Needed

A discussion on the history of the Northeastern states banning together for over-order premiums ensued, where it was pointed out that RCMA, state over-order premiums,

and milk taxes have previously been ruled unconstitutional by the Supreme Court, whereas the Compact has withstood all such challenges.

Senator Roraback said they needed to look for legal guidance on whatever they pursued, and that there was no need to push any legislation that was already “dead as a duck.”

Jacquier said that even though the other programs were short lived, they did help farmers survive.

Mark Winne, representing farmland preservation interests, said that dairy farmers were hanging on, starving, and said it was estimated that over 50 Connecticut dairy farmers would go out of business this year. He said that that jeopardized thousand of acres of farmland.

“Consumers are paying too much for milk,” he said, “the system is broken...it seems like we’re making little deals when we need to take a bold stand.”

Legislative Urged to Hurry

Senator Roraback seemed to agree and pointed out the fact that the legislative clock was ticking away. He then recapped the meeting by concluding that it was agreed to support the Attorney General’s price gouging bill as a consumer issue. They would also urge him to aggressively pursue the Hood anti-trust issue.

Representative Willis reminded Roraback about the resolution to support the Compact, which all agreed upon, and it was left to meet again as soon as the details of the proposed legislation were ironed out.