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**Economic Squeeze Threatens Historic Working Farm Family-owned since 1848, Lyme's Tiffany Farms falls in arrears as milk prices plummet and utility bills soar**  
**Lyme** -- The landmark, centuries-old Tiffany Farms could cease operations, the result of historically low wholesale milk prices and increasing farming costs. Jack and Susan Tiffany, owners of the picturesque farm on the crest of a hill off Route 156, said last week that they are months behind in paying local property taxes, grain bills and veterinary expenses. Jack Tiffany said he's not sure how much longer his family can continue the operation, which includes 75 milking cows. He is worried he may not have enough money to buy grain in the spring. Tiffany said his approximately 200-acre farm, which dates back to the early 1700s and has been in his family since 1848, has lost at least \$3,000 in recent months and still owes a \$12,000 town tax bill that was issued in July. He said he also hasn't been able to pay feed or vet bills for several months. A former state legislator who serves on the state's Milk Regulation Board, Tiffany blamed the federal milk pricing system and the expansion of western dairy farms for the crisis his dairy operation, and his family, are facing. Tiffany operates the farm with his wife, son, daughter and son-in-law. He also has one full-time employee. State law allows local governments to forgive up to 50 percent of a farmer's local tax bill, and Tiffany said he has spoken to town leaders about getting the tax break. But he said he got a lukewarm response to his request. Ralph Enos, the newly appointed first selectman, said the Board of Selectmen is still reviewing Tiffany's request. But he said he's concerned about the precedent it could set for other farms here. "How do you do it for one and not for all of them?" Enos said. Tiffany Farms is the town's last cow dairy farm, though there are several other farming operations here, including a sheep and organic produce farm. Tiffany said he has considered other kinds of farming, such as produce or trees but hasn't explored those completely. Now in his 70s, he said he's not sure the payoff would be worth the effort. "You can't make money growing Christmas trees," he said. Complicating the issue is that in 1990 Tiffany sold the development rights of his farm to the state under Connecticut's farmland preservation program. He did so because his brother, who was a partner in the farm, died in 1980, and his brother's children wanted their inheritance. One of the options he said he's now mulling is marketing his farm as a mini-estate to "some of those New York billionaires." While the sale of the development rights means a subdivision can't be built on the farm land, Tiffany believes it would not preclude someone from razing the buildings and farmhouse and constructing a mini-estate. Nothing short of government action, he said, can likely save his farm. "It's looking pretty grim." The federal government's complex milk regulations, he said, are largely to blame. The rules set minimum prices that wholesalers must pay farmers for milk. However, those regulations, Tiffany said, do not take into account regional variations that can create a huge schism in milk production costs across the country. New England farmers in particular, he said, face significantly higher land, labor and building costs than do large dairy operations out West. The federal government bases its wholesale minimum milk prices on national averages. Those reflect large dairy operations in places like Arizona and New Mexico, which have significantly lower production costs and can sell their milk for much less than farms in the Northeast. "It's so frustrating," Tiffany said. Wholesale milk prices are at an all-time low right now, while utility and fuel costs in Connecticut are soaring, said Bonnie Burr, spokeswoman for the Connecticut Farm Bureau, which lobbies on behalf of Connecticut farmers. Just to cover their expenses, farmers need to get between \$15 and \$17 for every 100

pounds of milk they sell, Burr said. Prices right now are hovering around \$12 per 100 pounds of milk, she added. Farmers "can't even pay their bills," she said. Like many farmers in Connecticut, Tiffany sells his milk to a large cooperative, Agri-Mark Inc., in Massachusetts, which in turn processes and packages the milk and then sells it to companies like Guida's Dairy. The milk then is sold to retailers, such as Stop (and) Shop and Shaw's Supermarkets. While the price of milk in the wholesale market has been unusually low for more than a year, it hasn't affected the retail prices of milk. Federal milk pricing regulations do not limit what retailers can charge for milk. \* Lincoln Chesmer, part-owner of Graywall Farms in Lebanon, said the steep decline in wholesale prices is "devastating our farm." His dairy operation, he said, has seen significant losses in recent months because of dropping wholesale prices and increasing operating costs. Because of the volatility Connecticut dairy farmers face in the wholesale milk market, Chesmer and several other local farmers banded together more than a year ago to produce and sell milk in the retail market under their own label, The Farmer's Cow. The initiative, Chesmer said, is thriving, and owners of the six farms that make up the cooperative are hoping that the profits from the business will help insulate them from the fluctuations in the wholesale market. The milk regulation board, on which Tiffany serves, is considering ways to help dairy farmers. The board is an advisory agency for the commissioner of the state's Department of Agriculture. One proposal, Tiffany said, might be for the state to give farmers stipends when milk prices bottom out. *e.mcnamara@theday.com*