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N.H. could follow Vermont in aiding dairy farmers

By Associated Press

CONCORD - Days after Vermont lawmakers agreed on a mechanism to provide \$3 million in emergency aid to dairy farmers, some New Hampshire legislators hope to adopt a similar plan.

Rep. Jay Phinizy, who chairs the House Environment and Agriculture Committee, said that falling milk prices are threatening the state's dairy industry and it's time to act.

He has co-sponsored a bill that would create a \$3 million Emergency Milk Relief Fund through a 2.5 cents per gallon tax on milk distributors. When the wholesale price of milk falls below \$12 per hundred pounds of milk produced, the money would be distributed to farmers.

"We've been talking about this for years and, frankly, I'm tired of talking about it," said Phinizy, D-Acworth. "We're talking about getting a really good floor, a good base of support for the dairy farmer."

The bill isn't all about milk, however. Supporters say the state would lose tens of thousands of acres of open space if dairy farmers were forced out of business.

"If we truly believe in protecting the New Hampshire advantage, we need to help these folks," said Rep. Michael Rollo, D-Rollinsford. "The New Hampshire Advantage to me is not just about our tax structure. To me it's our whole way of life, and that includes dairy farmers."

The committee will hear three bills involving milk this week. Another proposal would create a similar fund, but would pay out subsidies to farmers when the price of milk falls below \$14 per hundredweight.

The third bill would require distributors to pay farmers at least half the retail price of milk.

"We need to maintain a reasonable difference between what milk sells for at the store and what farmers get for it," said Rep. Frederick King, R-Colebrook, one of the sponsors.

Michal Lunak, a dairy specialist with the University of New Hampshire Cooperative Extension, said farmers are paid about one-third of the retail price now. The rest is split between processors and retailers.

Cooperative extension educator Seth Wilner said that when the price of milk dropped below \$11 per hundredweight last summer, farmers were getting \$5 to \$6 less than it cost them to produce it.

Dairy farmer Jeff Holmes, who has about 70 cows on his Langdon farm, said farmers are caught in a squeeze between dropping milk prices and rising feed prices, due to competition for corn from ethanol producers.

Milk prices were around \$15 per hundredweight last month, but a lot of farmers are still playing catch-up after going into debt, he said.

"People have a lot of outstanding bills right now," he said.

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