



THE BARRE MONTPELIER

TIMES ARGUS

ESTABLISHED 1897

Thursday, February 20, 2003

SEARCH

[Search the site](#)

NEWS

[Top Stories](#)
[Central Vermont](#)
[State/Regional](#)
[VT Legislature -](#)
[New](#)
[Sports](#)
[High School Sports](#)
[Obituaries](#)
[Business](#)
[Weather](#)
[Calendar](#)

State plans aid to farms

February 12, 2003

By SALLY WEST JOHNSON

Fresh out of the starting gate, the administration of Gov. James Douglas is making a bold move to put its money where its mouth has been by lending a hand to failing farmers.

FEATURES

[Births](#)
[Weddings](#)
[Photo Gallery](#)
[Talk of the Town](#)
[Sunday Magazine](#)
[The Teeds](#)
[Local Columnists](#)
[Arts](#)
[Reviews](#)
[Outdoors](#)
[Crossword](#)

At a time when milk prices have hit a 25-year low and some experts predict that 10 percent of the state's 1,450 dairy farms will be out of business by December, this multi-faceted effort is based on promises Douglas made on the road to the State House and enhanced by initiatives from both chambers of the Vermont Legislature.

Agriculture Commissioner Stephen Kerr says the effort is still a work in progress.

OPINION

[Editorial](#)
[Letters](#)
[Submit a Letter](#)

"We're hungry for ideas," he told a group of farmers who gathered in the Bridport Community Hall Monday. "The single best answer to this problem (of failing farms) is a better price for milk, but the state isn't in a position to do that, so let's do what we can."

CLASSIFIEDS

[All Classifieds](#)
[Jobs](#)
[Retail](#)
[Auto](#)
[Personals](#)
[Real Estate](#)

The plan in its current incarnation has three cornerstones, the first of which is a move to forgive participants in the Current Use Program the state property tax they pay on their land and farm buildings. Although they still would pay their municipal taxes, as well as their local share of the education tax, many farmers could see significant savings as a result.

THE WIRE

[Top Stories](#)
[National](#)
[World](#)
[National Business](#)
[National Sports](#)

Kerr uses an example of a 439-acre farm in Derby to illustrate the point.

SERVICES

[Contact Us](#)
[Subscribe](#)
[Purchase a Photo](#)
[About Us](#)

"That farm, if it were not enrolled in the Current Use Program, would pay \$13,000 in property taxes," Kerr explains. "Under the Current Use Program, the farmer pays \$4,222, a savings of about \$9,000. Without the state education tax, he'd be paying \$1,907, another \$2,200 savings. For some farmers, it could mean some real money."

The proposal has two sticking points, one of which is that not all Current Use participants are farmers, which means that tax relief — estimated at \$3.3 million — would go to forestland owners and gentlemen farmers as well.

Kerr acknowledges that "the debate in Montpelier is whether to target

Kerr acknowledges that the debate in Montpelier is whether to target all the money to farmers instead of spreading it out among all Current Use participants.”

The other, equally troubling, dilemma faced by the reformers is that not all farmers are enrolled in the Current Use Program, and some have, in fact, enrolled only to pull out later. Because the benefits would accrue only to participants, the tax relief would skip over a large percentage of farmers.

That doesn't bother Julie Wolcott, a dairy farmer from Fairfield who milks 25 cows. As she sees it, limiting the program to Current Use participants is “a way of creating accountability.”

And in general, she says, the idea is great. “Tax relief will be a great long-term investment by the state, and it will touch a lot of different kinds of farmers, not just dairy farmers. It recognizes that profitable farms keep the landscape open and working.”

John Malcolm, a dairy farmer from Pawlet and a member of the Agri-Mark/Cabot board, is pleased by Montpelier's new interest in agriculture.

“I'm thrilled at the focus Jim Douglas has brought to farming, and Steve Kerr is a good man for the job,” says Malcolm. “This means they're not taking farmers for granted anymore. I realize that some other programs will have their budgets cut as a result of this, but I make no apology for any of these programs because I know what I contribute to the benefit of everybody in this state.”

Another big piece of the proposed farm-support system is the recapitalization of the Vermont Economic Development Authority, clearing the way for the Vermont Agriculture Credit Corp., a subgroup of VEDA, to make \$15 million worth of low-interest loans to farmers.

Because milk prices have bottomed out, many farmers who once qualified for the services of the Yankee Farm Credit Corp. have slipped below Yankee's credit guidelines, while others are paying high interest rates on their debt. The new money would allow them to refinance their loans at a better rate — currently around 3 percent — thereby realizing another substantial savings.

“VACC is getting more and more demand as low milk prices reduce farm income,” says Kerr. “What we don't want is farmers being forced out of business for lack of credit. We're hoping that VACC will refinance as many loans as possible at low rates.”

A third — and more sensitive — component of the initiative would deploy a team of farm-management experts to farmers who ask for help — and Kerr hopes they will ask, stressing that the information is confidential. The idea is to send out a team of people — for instance, a veterinarian, a feed expert and an accountant — to help solve the problem if indeed a solution is possible.

The Department of Agriculture intends to contract the services by means of a bidding process. He expects that agencies such as the UVM Extension Service, the Intervale Foundation and NOFA, the organic farming group, will respond.

According to Kerr, the so-called Vermont Farm Profitability Program has both short-term and long-term aspects. In the big picture, the team would assist farmers in drafting a business plan if one is needed, and pulling together the pieces to make that plan work.

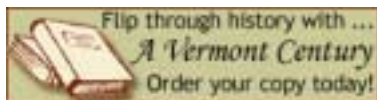
For those farmers in urgent need, the Emergency Farm Stabilization Act, an idea put forward by the Vermont Senate, would send in a crisis team either to shore up the situation for the near future or to help the farm family make rational decisions about how to get out of farming.

“It hurts me to see desperate farmers selling their cows for 50 cents on the dollar and making a bad situation worse,” Kerr says. “We’re not trying to keep people in business who shouldn’t be in business. If we can’t save the farm, we might send in somebody to help arrange an auction or somebody from the Department of Employment and Training to talk about other employment options. A lot of farmers don’t think they can do anything but farm, when in fact they’re about the most versatile people in the world.”

Overall, says dairy farmer Thomas Audet of Orwell, there’s a new wind blowing out of Montpelier.

“Prior administrations have asked us what we needed, but they never did anything,” he says. “This sends a message that the Douglas administration is taking us seriously. For us, this could mean a savings of \$2,000 on our taxes. To me, it’s a big signal that the Douglas administration is trying to do what it can. The farming community is really going to appreciate it.”

[More news](#)



[Contact Us](#)