

State of Vermont

House of Representatives



Montpelier, Vermont

House Resolution

H.R. 12

House resolution urging the adoption of state and federal measures to create an effective price support system for Vermont Northeast Marketing Area dairy farmers

Offered by: Committee on Agriculture

Whereas, agriculture has been central to the Vermont economy since before the declaration of statehood, and for over a century, dairy farming has been at the core of agricultural life in our state, and

Whereas, milk is a nutritionally essential food for infants and young children, and an important source of calcium for adults, and

Whereas, the local production of milk ensures its freshness for Vermonters and other New England consumers and is the foundation for the long-term sustainability and prosperity of Vermont agriculture and the state's broader economy, and

Whereas, farming instills the social values that have been deeply embedded for centuries in the fabric of family life in Vermont, and this most typical of traditional Vermont occupations needs to be perpetuated, and

Whereas, regardless of whether they sell their unprocessed fluid milk as individual proprietors or through a producers' cooperative, Vermont's dairy farmers' economic sustainability is dependent on the price that milk processors offer to pay per hundredweight, and

Whereas, the Agricultural Marketing Service of the United States Department of Agriculture (USDA) has divided the nation into federal milk marketing orders and Vermont is part of the Northeast Marketing Area (NMA) Federal Order No. 1 along with other New England, Northeast, and middle Atlantic states, and

Whereas, although federal milk marketing orders set certain guidelines and procedures, these orders only establish the minimum prices that processors are required to pay for producers' milk, and

Whereas, the price that milk processors have paid dairy farmers (producers) has often been inadequate to cover production costs, and

Whereas, there has been a history of volatility in milk pricing, and

Whereas, even though the recent rise in the price paid to producers has assisted Vermont's dairy farmers, the recurring pattern of volatility and inadequacy threatens to cause irrevocable harm to Vermont's remaining dairy farms whose numbers have declined precipitously since the 1940s from over 11,000 to barely 1,000, and

Whereas, a group of dairy farmers in the NMA has brought suit in federal district court in Burlington, alleging that Dean Foods of Dallas, Texas and others, including the Dairy Farmers of America cooperative of Kansas City, Missouri and its marketing affiliate, Dairy Marketing Services, engaged in antitrust practices which have denied producers a fair price for their milk, and

Whereas, according to an April 16 *Burlington Free Press* story, a partial settlement of the suit may be forthcoming, but a decision on whether Dean Foods should be required to change its fluid milk purchasing practices in the NMA for 30 months may be severed from the settlement due to opposition from Dean Foods' codefendants, the cooperative Dairy Farmers of America and its affiliated marketing arm, Dairy Marketing Services, and

Whereas, Vermont Attorney General William H. Sorrell has been working diligently to assist dairy farmers in this federal antitrust action, but supporting data from the attorneys general and agriculture departments and agencies of other NMA states could be persuasive support for the farmers' arguments, and

Whereas, it is apparent that a comprehensive and sustainable solution to the recurring pricing crises Vermont's dairy farmers endure transcends the state's borders and can only be found through federal legislative action, including a regional or national pricing mechanism, such as the recent proposal of United States Representative Peter Welch that ensures price stability and discourages farmers from overproducing during economic downturns, and

Whereas, the United States Dairy Advisory Committee, which USDA established in 2009, and whose membership includes Vermont dairy farm leader Paul C. Bourbeau, has offered a number of federal policy initiatives for USDA and Congress to consider which could potentially decrease the likelihood of recurring pricing fluctuations, and

Whereas, the need for decisive and prompt federal action to address the economic sustainability of Vermont and other NMA dairy farmers is imperative, and as members of their respective chambers' agricultural jurisdictional committees, United States Senator Patrick Leahy and United States Representative Peter Welch, and United States Senator Bernie Sanders, a strong supporter of Vermont agriculture, are all in a position to bring Vermont's perspective to Congressional deliberations on dairy pricing, now therefore be it

Resolved by the House of Representatives:

That the House of Representatives urges the adoption of state and federal measures to create an effective price support system for Vermont and Northeast Marketing Area dairy farmers, including:

1) Requesting the attorneys general and state agricultural officials in the Northeast Marketing Area to develop a factual database of antitrust violations that can be used in the pending federal litigation in Vermont and as an information resource for congressional deliberations on the development of new policies to develop long-term measures to stabilize the price per hundredweight paid to dairy farmers for fluid milk; and

2) Urging the Vermont Congressional Delegation to continue to support changes to the dairy price marketing system, either as stand-alone legislation in 2011 or in the dairy section of the next federal farm bill, and be it further

Resolved: That the Clerk of the House be directed to send a copy of this resolution to each attorney general and chief agricultural official in each state located in the Northeast Marketing Area and to the Vermont Congressional Delegation.

Shapleigh Smith, Jr.
Speaker of the House

Attested to:

Donald G. Milne
Clerk, House of Representatives