

NO. R-97. JOINT RESOLUTION IN SUPPORT OF THE UNITED STATES DAIRY INDUSTRY.

(J.R.S.21)

By Senate Committee on Agriculture,

Whereas, the dairy industry is a keystone industry which not only supports rural communities but enhances other sections of agriculture and provides open space for recreation, sports and tourism, and

Whereas, the dairy industry provides an economic impact of an estimated national average of \$14,000.00 per cow per year, primarily in local economies, and

Whereas, the absence of profitable prices in the dairy industry for farmers, the lack of competition in milk processing ownership, as well as outdated regulations are causing an economic crisis in the dairy industry, and

Whereas, in the past few weeks, the price that milk processors pay farmers for their milk has dropped as much as 50 percent, and

Whereas, the legal vehicle for assisting farmers when the price of milk drops precipitously is the Milk Income Loss Contract (MILC) payment program established in the 2002 Farm Bill, and

Whereas, the amount of funding included in the 2008 Farm Bill for the MILC-X (Milk Income Loss Contract-Extended) payment program did not anticipate this sudden decline in the price that farmers receive from the processors, and

Whereas, the MILC-X payment program is targeted primarily at smaller dairy farms of the size typical in Vermont, and

Whereas, without additional funding in the FY 2009 Agriculture Appropriations Bill for the MILC-X payment program, a large number of dairy farmers, including many in Vermont, will cease operations permanently, and

Whereas, a significant loss of capacity would create a dependence on imported milk and other dairy products and reduce our nation's food security, and

Whereas, the federal 2008 Farm Bill creates a review process for federal milk marketing orders, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly of the State of Vermont urges the President, Congress and the United States Department of Agriculture to acknowledge the importance of the dairy industry nationwide as well as the unique aspects of the dairy industry region-by-region through:

- 1) Providing for increased funding in the FY 2009 Agriculture Appropriations Bill for the MILC-X payment program;
- 2) Funding and implementing the federal milk marketing order study as outlined in the 2008 Farm Bill, with regional representation from producers, processors, and state policy-makers;
- 3) Implementation of fair tariffs on imported dairy solids; and
- 4) Setting regional prices to reflect accurately and realistically the cost of production, *and be it further*

Resolved: That the Secretary of State be directed to send copies of this resolution to President Barack Obama, United States Secretary of Agriculture Tom Vilsack, United States Senator Patrick Leahy, United States Senator Bernard Sanders, and United States Representative Peter Welch.