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**2009 MAKE-OR-BREAK YEAR FOR CONNECTICUT DAIRY INDUSTRY**  
**Farmers Urge Legislators to Take Action in Light of Crushing Record Low Milk Prices**

**Hartford, Connecticut, February 18, 2009** – Faced with a crushing combination of record low milk prices and years of losses, Connecticut's dairy industry today pleaded with the state legislature and Governor Rell to take action to save thousands of jobs and over \$1 billion in economic impact.

“This decade has seen a rapid decline in the number of dairy farms in Connecticut. There has been a loss of 83 farms since 2000 – twelve in just the past year,” says Don Tuller of Tulmeadow Farms in West Simsbury and President of the Connecticut Farm Bureau. “When one looks at the numbers it's hard not to understand why. Since 2003 Connecticut dairy farmers have racked up over \$85 million in losses as the price of milk production has not been supported by the federally mandated price of milk. In the last 72 months, Connecticut dairy farmers have only seen 9 months where the price of production was covered by the final sale price. To fill the gap, farmers have turned to credit but with the recession and credit crunch and a forecasted \$32 million shortfall in 2009, we've reached the tipping point.”

Most consumers are unaware that milk prices are set by the federal government and do not take into account regional disparities in production costs. Because the government looks at milk prices on a national level, farmers in the Northeast are at a disadvantage due to higher costs of operation, fuel and feed than farms in the Midwest. In February 2009, the price set by the government for a gallon of milk hovered around \$1.00 per gallon. However, the average cost for a farmer in Connecticut to produce a gallon of milk stood around 1.90 per gallon. This means for every gallon of milk sold, farmers are losing nearly \$1.00, not a good business model or recipe for on-going sustainability.

“According to a January 2009 study by the Department of Economic and Community Development and the Connecticut Department of Agriculture, the impact of the Connecticut dairy industry is estimated to be between \$832 million and \$1.1 billion. The industry also creates upwards of 4,242 jobs in farming, transportation, heavy machinery, food production, manufacturing, construction and sales,” says farmer Peter Orr of Fort Hill Farms in Thompson. “If the legislature does not take action this session, all of the revenue and jobs may be permanently lost.”

To combat the problem, the dairy industry is asking that legislators work with farmers and other interested groups to come up with programs that give the farmers a safety net when the wholesale price of milk falls below the cost of production. One such idea is the creation of a dairy farmer sustainability program, similar to what has been established in Massachusetts and South Carolina. The farmers say they aren’t looking for the state to create a welfare system for dairy farmers, rather they just want to know there are measures and stimulus in place to protect the vital industry during economic times like these.

“We realize in this recession the state is facing an overwhelming budget shortfall and legislators are facing the pressure of finding ways to erase the red ink. However, almost three years ago Governor Rell called for the state to do everything in its power to retain and support the dairy industry. Action needs to be taken now because without state help this year, a significant number of our dairy farmers will not be around to produce milk in 2010,” says farmer Benjamin Freund of Freund’s Farm Family Dairy in East Canaan. “Our state's dairy industry is at its breaking point. Two-thousand-nine will go down as the year that Connecticut's government saved the industry or let over \$1.1 billion in economic impact disappear and over 4,000 people lose their jobs because of inaction. I sincerely hope that a solution can be found to preserve a vital industry, jobs, open space, and the quality of life that is slowly slipping away in Connecticut.”

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