Milk and political kindness; [1 Edition]


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Abstract (Document Summary)
Dairy farmers get paid according to a fixed federal formula that reflects the lower costs of the giant farms in Texas, California, Idaho, and other states closer to feed grain sources. Last year, farmers in this state got about $1.14 for each gallon of milk that cost them about $1.70 to produce. They have been especially hard hit by the Midwest's boom in ethanol production, which has pushed up the cost of the corn feed the farmers buy. In a truly free market, New England dairy farmers could demand a higher price for their milk without fear of being undercut by Texas farmers, since it becomes uneconomic to truck fresh milk into the region from farther than New York or Pennsylvania.

Full Text (493 words)

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THE BIGGEST land use issue facing Massachusetts this spring does not involve McMansions on the Cape and Islands or new malls in the suburbs. It's the state's vanishing dairy farms. There are now 167, down from 829 in 1980. Squeezed between a low, fixed national price for milk and increasing costs for energy, feed grain, and fertilizer, one farmer after another is going out of business. Each loss of a herd puts at risk some of the approximately 80,000 acres now used by dairy farmers.

Farmers close to cities face the temptation of selling to developers eager to build the sprawling subdivisions that are the opposite of smart growth projects near public transportation. In rural areas, land no longer used for feed crops or pasture will grow into scrub woodland, depriving the landscape of the mix of forest and open fields that has made New England so appealing to residents and tourists. This is the likely outcome even if conservation restrictions keep bulldozers away.

Yes, farmers can diversify with vegetables, but that still leaves most of their land unused. Fewer dairy farms would also mean less fresh milk and the loss of economic activity that is central to small towns' livelihood.

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With some farmers so strapped they cannot afford seed for spring plantings, they have turned to the state for an emergency $12 million. Other states in the region have already provided such relief.

A long-term solution is to use Congress's farm bill this year to separate New England's milk from the national...
pricing system, as the Northeast Dairy Compact did until its expiration in 2001. A spokesman for Senator Patrick Leahy of Vermont said that the region's dairy farmers will be a primary focus.

Failing such a national solution - a long shot in the face of likely opposition from other regions - the state might consider a 12 cents per gallon vendor fee like the one Maine has placed on retail sales of milk. Proceeds would go back to dairy farmers based on their total milk production. But the most sensible long-term approach is to break New England out of a national milk-pricing system that, far from being Adam Smith's invisible hand, is a very visible fist.

Credit: Boston Globe