Gov. James Douglas on Thursday named a task force to boost dairy farming at a time of stable milk prices and a growing demand for milk in the Northeast.

"This is a critical time for the dairy industry," Douglas said. "We have stable prices predicted for the next two years, a processing industry that wants additional milk to make more products."

The panel of dairy buyers, sellers and organic and conventional farmers, will consider ways to preserve and encourage farming, to encourage value-added production and to help with greater per-farm production, Agriculture Secretary Steve Kerr said.

"The Dairy Task Force is our considered attempt to understand very precisely and from a business perspective what Vermont can do to increase farm profitability," Kerr said.

The panel was brought together following two years of record high milk prices, on the heels of dismally low prices, and at a time when demand is growing in the Northeast, Kerr said.

"We do have a tremendous opportunity," Kerr said.

Douglas said he envisioned the task force coming up with such ideas as grants for farms to shift to pasture-based dairies, grants or tax credits to add cows, funding for nutrient management and to create business plans, and grants and loans for the development of new markets for cheese makers and processors.

"I think it's a culture shift," Douglas said of changes in agriculture. "We have far fewer dairy farms than we had before."

Kerr said the state continues to lose dairy farms. There were 1,292 operating dairy farms as of Jan. 1, down
about 60 from the year before, he said.

"But we're not losing milk production," he said.

The task force plans to meet with dairy experts from Pennsylvania and Wisconsin to discuss what has worked to boost dairy farming in those states.

Kerr expects the task force to come up with its recommendations and strategies in about six months.

The panel includes former Agriculture Commissioner Leon Graves, who is now a dairy marketing specialist, Agri-Mark economist Bob Wellington, and representatives from the St. Albans Coop, Ben and Jerry's, Horizon Organic, Dairy farmers of America, Cabot Cheese, Rock Bottom Farm and Star Hill Dairy.

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