



STATE OF NEW YORK
DEPARTMENT OF AGRICULTURE & MARKETS
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David Paterson
Governor

Patrick Hooker
Commissioner

February 19, 2010

The Honorable Thomas J. Vilsack, Secretary
U. S. Department of Agriculture
Jamie L. Whitten Federal Building
1400 Independence Avenue, SW, Room 200-A
Washington, D.C. 20250

Dear Secretary Vilsack:

Thank you for coming to the northeast last week and the attention you gave the country's dairy crisis. I am writing to add our voice to those you heard this past week in saying our current system is outdated. In fact, it devalues fresh, locally produced milk by directly connecting its price to the value of manufactured products, which primarily compete in a national and international market. You and I both understand the importance of a fresh, local food supply, as well as the importance of connecting consumers with farmers. Therefore, I want to share our idea of a price system improvement.

I ask that you seriously consider the benefits of establishing a national floor for the Class I base mover as a simple mechanism to de-couple fluid milk pricing from the manufactured classes. This action, implemented immediately and at the adequate level, could help ensure farmers a reasonable and more stable milk price that more fairly reflects the higher costs of production and distribution of fluid milk.

While in the area last week, you challenged us "to come together and figure out a consensus approach." While I understand your logic, I join my neighboring states in New England, New Jersey and Pennsylvania in saying that it is easier said than done. I am optimistic that the industry will continue to work toward that goal but it will be difficult to satisfy a 40,000 cow dairy in Idaho and a 200 cow farm in New York. The sheer size of the country and the diversity in production practices severely limits a national consensus on dairy policy.

That being said, we are united on a regional basis. We belong to a region that produces more than 16 percent of the nation's total milk supply. This region also has the highest Class I utilization by volume and, outside of the southeast region of the country, the highest rate of Class I utilization. This means our farmers are subject to greater production, balancing and transportation costs to fulfill urban fluid markets.

While our farms on average only milk 100 cows, we are the third largest milk producing state in the nation and ideally located close to the consumer. Our farms grow most of their feed and recycle nutrients, unlike the large feedlot operations in the west that purchase their feed and utilize irrigated water. Our sustainable, family-owned operations are necessary to ensure a fresh, local supply of fluid milk for consumers.

As you know, Class I fluid milk is the most perishable dairy product and one that is usually consumed within a couple hundred miles of where it was produced and within several days of when it was processed. As an essential staple for most households, it is one of the least price sensitive dairy products on the market and offers the greatest potential for a stable pricing base for milk.

Milk can and should be produced and consumed close to home, within a "regional food shed." The northeast has the farms to do so, but unfortunately the low and volatile prices produced under the current pricing system are only hurting our family farms. Stabilizing prices will be positive for both farmers and consumers, and will also save the Federal government a considerable amount of tax dollars.

The dairy industry as a whole is on the brink of an industry-wide shake out that will profoundly shape the future of milk production. While it may be challenging to sift through the many options and diverse opinions from the industry, the fact remains that doing nothing is in fact a choice - and one that will have potentially disastrous consequences on the nation's dairy farmers. I ask you to consider establishing a floor for the price of fluid milk immediately in order to ensure a fresh local food supply for our consumers at home, and appropriately compensate those farmers who produce it.

Sincerely,

A handwritten signature in black ink that reads "Patrick Hooker". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Patrick Hooker
Commissioner