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\$3.6 million PLEDGED TO AID Dairy FARMERS
Task Force will develop long-term solutions for ailing industry

BOSTON - Thursday, May 10, 2007 - Governor Deval Patrick today submitted a supplemental spending request for \$3.6 million to assist struggling Massachusetts dairy farmers and to pave the way toward maintaining a dairy industry that serves local consumers and preserves the state's rural landscape. This request was made as part of Governor Patrick's fiscal 2007 supplemental budget in conjunction with Senate President Therese Murray, Speaker of the House Salvatore DiMasi, and legislators from impacted communities.

"I have heard from many dairy farmers that they are hurting," said Governor Patrick, who made the funding request as part of a fiscal 2007 supplemental budget filed with the Legislature today. "Last year, in particular, rising costs for energy and feed stocks combined with low prices to put these farmers in a financial hole. These funds will help them back on their feet while we work on permanent solutions."

"Governor Patrick has heard loud and clear that dairy farmers in this state are in trouble," said Secretary of Energy and Environmental Affairs Ian Bowles. "This funding will provide a measure of relief while we address the long-term challenges facing this vital part of the rural economy."

On January 29, a petition for relief signed by 165 farmers was filed with the Department of Agricultural Resources. Two day-long public hearings were held in March, and public comments received through March 29. Today, in conjunction with Governor Patrick's funding request, Acting Commissioner Scott J. Soares signed a Declaration of Emergency for the dairy farmers of Massachusetts.

"The Commonwealth's dairy farmers suffered tremendous hardship last year," said Acting Commissioner Soares. "Milk prices are now rising, but not enough to stabilize their financial condition. If we are to maintain dairying as a component of our Commonwealth's agricultural mix, we must take immediate action to provide relief to farmers, then set our sights on long-term solutions."

In his findings, Acting Commissioner Soares describes a situation in 2006 of heavy rains in the spring, which destroyed early plantings and delayed later planting; of historically low farm

milk prices; and of rapidly rising production costs due to energy and feed-corn price increases.

The \$3.6 million requested by Governor Patrick for this year represents the difference between the average farm price of milk and the operating costs of Massachusetts dairy farmers, based on a variety of sources including U.S. Department of Agriculture data, during six months of 2006 when prices were at their lowest. The funds will be distributed to Massachusetts dairy farmers on a formula basis, giving each farmer a payment according to the amount of milk they brought to market from April to December of last year.

The supplemental budget would also create a Dairy Farm Revitalization Task Force to develop proposals for strengthening the Massachusetts dairy industry, which has declined from 829 farms in 1980 to 179 today. That 11-member panel will include members appointed by the Secretary of Energy and Environmental Affairs, the Commissioner of Agricultural Resources, the Commissioner of the Division of Energy Resources, and the Commissioner of Public Health; one member each appointed by the Speaker of the House and the President of the Senate; farmer and milk processor representatives appointed by the Governor; and a representative of the Massachusetts Food Association. The task force will be required to issue its report within 90 days.