

Louise H. Calderwood
Government Relations Director
NE Ag and Feed Alliance
440 Echo Hill Rd
Craftsbury, VT 05826

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Senator Eileen Daily, Co-Chair
Representative Cameron Staples, Co-Chair
Finance, Revenue and Bonding Committee
Connecticut General Assembly

Dear Senator Daily and Representative Staples:

I am contacting you on behalf of the Northeast Ag and Feed Alliance, which is the 270-member organization representing virtually all of the livestock feed manufacturers in New England and New York State. The purpose of this letter is to state opposition to HB 6350: AN ACT ELIMINATING EXEMPTIONS FROM THE SALES AND USE TAX AND LOWERING THE RATE OF SUCH TAX.

Our members provide feed for nearly all Connecticut agricultural producers. We recognize that the grim economic situation requires the exploration of all alternatives to address budget shortfalls, however, the timing of HB 6350 is alarming for Connecticut dairy farmers in light of plummeting milk prices.

In light of dropping milk prices the average 100 cow farm in Connecticut is bracing for a nearly \$100,000 reduction in income from milk sales in 2009. The income earned by dairy farms is circulated repeatedly through the local community in the form of services, salaries, and purchased inputs, nearly doubling the positive impact on the local economy.

Adding the additional burden of paying sales tax on off road fuel to financially stressed farms could be the tipping point to cause some farms to sell their herds and give up production. The emotional impact of reduced support from the state of Connecticut in the face of severe economic hardships will be an additional stress to these hardworking families.

The Northeast Ag and Feed Alliance strongly urges you to re-consider repeal of the off road fuel tax exemption currently provided for in Connecticut law.

Sincerely,

Louise H. Calderwood
Government Relations Director
NE Ag and Feed Alliance