

Testimony on State Dairy Relief 2009
February 17, 2009

To the Members of the Environment Committee:

My Name is Bill Peracchio and I am a dairy farmer from Coventry. I am in partnership with my brother, Tom and my son, Greg. We are the third and fourth generations to work Hytone Farm. We milk 220 Holstein cows and produce over 1600 gallons of milk every day. We have 2 full-time employees and 3 part-time workers, besides ourselves. We grow crops on 450 acres of open land, some of which we own and the balance is rented in Coventry and five surrounding towns. We rent from eleven different landowners. Our farm grosses over one million dollars a year. We have had many offers to sell our land and to move out of state through the years. Although it would be nice to have our farm in a large parcel, not in five towns, and have cheaper farm expenses, our roots are here and we like the quality of life in Connecticut.

I come before you today to ask your help in stabilizing the price we receive for our milk. The federal government regulated milk prices until the late 1970's, when farmers were told to compete in the world market for food products. The policy was changed to say whoever produced the cheapest food, would supply food for the USA. The price we are paid to produce milk has totally eroded for the past 30 years to the point now where there is one price for milk. There is no accounting for differences in regional cost variances, taxes, and the distance necessary to ship the product to populated areas, where the consumers are. Our farm must compete dollar for dollar to the farms in western NY and further. Our expenses for energy, labor costs and land prices are so much higher, even as efficient as we are, we can't compete business to business.

What is the answer? We need to receive a fair price for our local milk. We need help when the price we are paid for milk falls below a break-even level, which is happening today. We hope to create favorable markets in the future so we won't need help, but we are in dire straights now. The price has plummeted to many dollars below our break-even cost of production. We are now borrowing money to meet our production costs and we depend on our spouse's income so we can live. There is a good chance that without some help, our farm will fail. No fourth generation producing milk at Hytone Farm. Farmhands laid off and out of work, land sold to developers; we have all seen this happen every year.

What will the state get for it's support of Connecticut farmers? Virtually all of the money that we are paid for milk is spent back into the local economy. Feed, machinery, parts, lumber, concrete, carpenters, mechanics, fuel, fertilizer, accountants and lawyers are all paid with our milk money. We are not presently able to make the necessary capital investments needed for our business. Our dollars are spent and the local economy benefits. We keep land open, clean and productive in our communities for our neighbors to enjoy.

Wildlife, hunters, hikers use our land and will miss our ever-changing landscapes when we are no longer in business.

With the federal government food policy of "whoever can get the food here the cheapest--wins" is a bad situation for all of our citizens in Connecticut and beyond. State inspectors ensure that our food supply is safe. If Connecticut lets the farmers fail, we will all be at the mercy of strangers. It will be no different than our oil supply. With California running out of water and the Ogallala aquifer in the mid-west getting depleted, it is just a matter of time before it will be truly appreciated to have homegrown Connecticut food. Please keep Connecticut green and the farming community healthy to meet the food needs of our great citizens. They will thank you for it.

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