

Finance Committee Hearing for SB 946

March 9, 2015

Senator Fonfara

Representative Berger

I am speaking today in opposition to S.B. 946. Specifically I am opposed to the sweep of the Community Investment Act. My family operates Cushman Farms in Franklin. Cushman Farms is a 1200 cow dairy farm on 1700 acres of Connecticut's preserved farmland.

We employ 24 people of whom 5 are next generation of the family that want to take over the farm someday. We are proud to be part of a billion dollar industry in Connecticut but it comes with some challenges.

We compete in an unstable market and our costs to operate here in Connecticut are higher than other parts of the country. The dairy farms in Connecticut grow about 60 percent of their feed and have to purchase the rest due to limited land base. The feeds we purchase have to be transported from the Midwest, which can add as much as 40 to 60 dollars per ton. In addition, we pay 20 cents per 100 weight more than our neighboring states to have our milk transported to processing because of the weight limits in Connecticut. Then due to the land base being made up of fields spread out miles apart, we have to travel farther to work the land. This adds to the cost of fuel and wear and tear on equipment. So we have no choice but to take on these expenses, but unfortunately we don't have ability to increase our price to adjust for those costs. Our price is regulated by a federal formula.

What does the CIA Dairy Fund do for Connecticut dairy farms? It helps significantly to level the "playing field" by covering some of those higher costs. Agriculture is a world market and is affected by weather, world economy, war, embargos, radical leaders, supply, and any other hiccup. The CIA fund is the reason we still have a dairy industry in Connecticut. In 2009 dairy markets collapsed while grain markets held strong. Dairy farms were losing thousand of dollars and in dire straights. I personally know dairy farms that were getting ready to shut down. So where are we now? We just finished with some of the highest milk prices the industry has ever had. Exports supported the market until Russia; the second largest importer of dairy products, placed the embargo on Europe. China, the number one importer, stopped buying because they over bought earlier, and the dollar is gaining strength. So our farm price has fallen nine dollars per hundredweight. Therefore the future looks bleak and troubles could last well into 2016.

The money that dairy farms receive from the CIA actually works to stimulate the local economy because it is passed on to the 35 to 40 vendors that support our farms, be it the local fuel company, grain dealer, bedding supplier, equipment dealer, mechanic etc.

I believe that without the CIA support and if markets stagnate throughout 2016, we will lose a significant number of our dairy farms in Connecticut.

I believe in the farmland preservation program. Our farm has all but 50 acres in it. In addition, we rent over 1000 acres of cropland that are preserved through the program. Dairy farms make up 70 percent of the preserved farmland in Connecticut. They provide wildlife habitat and a quality of life for the community. If we want a local supply of food and a viable agriculture industry, we have to support farmland preservation and the farms that use it.

Respectively submitted,
James A. Smith
Operations Manager/ Owner
Cushman Farms