

**Harold N. Larrabee**  
**270 Shibles Road**  
**Knox, Maine 04986**

Dairy farmer and public supporter of the Northeast Dairy Compact Commission

**Welcome to Maine!**

Thank you for your continuing efforts to make the Compact Commission work for Dairy farmers and consumers. It is greatly appreciated.

My name is Harold Larrabee and I'd like to personally thank you for making the Dairy Compact a successful safety net for a struggling dairy industry. We own and operate a third generation dairy farm existing of eight family members, a few employees, and 650 head of dairy cattle. We currently manage 350 milking cows and the remainder are young stock replacements. Together we produce 13,000,000 eight ounce glasses of milk for consumers, annually. This is God's most perfect food.

I am treasurer of the Agri-Mark Legislation and Education Committee, as well as Chairman of the Maine Dairy Promotion Board, and I've been involved throughout the conception of the compact. The Dairy Compact provides a safety net that has worked very well. The current federal milk marketing order pricing system does not fully account for regional differences in the costs of producing milk. Additionally, the federal milk marketing order system establishes only minimum prices for milk. States have recognized that they must work together through Dairy Compacts if they are to maintain their dairy farms.

In the year 2000, compact payments received by our farm paid for our electricity bill, farm and auto insurance, property taxes, and approximately 1/2 of our fuel bill, which totaled \$ 60,000. This would have been lost income because of low milk prices, if not for the compact. We are told that we must be more efficient and become better businessmen. Personally, I believe we have to be a farmer first in order to maintain enough desire and fortitude to hang on when the ride gets rough, which seems to be 85% of the time.

Milk prices may drop 2 or 3 dollars per hundred weight all at once, harvested feed nutritional value may be low at the same time, army worms may hatch and eat 80% of second crop haylage, or crops experience extreme drought or sometimes too much rain all at once. If I evaluated dairy farming as a business opportunity, I would invest my money elsewhere.

The unfortunate part is the extreme pressure and stress that dairy farmers endure, as well as below cost income, so future generations are losing interest because there are more secure opportunities elsewhere. These factors are driving current dairy farmers to exit the industry.

We must ask ourselves...

**Do we want to drink fresh milk? How about preserving the open space and abundant acres of nature the way it was intended? Do we want jobs that raise families with traditional values? Do we want farms in our local areas or within our States? WE MUST REMEMBER WITHOUT FARMS WE WILL ONLY GROW HOUSES!**

It's essential for us to work together to reauthorize the Northeast Dairy Compact for our dairy farm families and help increase the milk price to prevent more farms from going out of business. A successful industry will encourage new farms to join the force. Everyone will benefit. The only train leaving the station that truly works in favor of securing the industry is the Compact. There are other ideas that will only act as a bandaid approach.

Jerry Kosak (representing NMPF) said: "The average consumer works until May 5 to pay all their taxes for the year, they work until February 12 to buy all their food for a year, also. However, they only work 8 days to pay the dairy farmer for his share of the food dollar.

Dairy farmers have a very important and essential job to provide food for this world.

Thank you all for listening.

May God Bless.

Harold Larrabee