



NEW ENGLAND  
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COUNCIL

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## Statement to the Northeast Dairy Compact Commission Meeting, July 9, 2001

If the pilgrims had landed in San Francisco, or San Diego, we would not need to be having this meeting today. California would consist of a number of small states and as settlers came East, they would have eventually acquired this region from England or perhaps France, and it would be one big state, and we could have arrived at today's common-sense New England dairy pricing mechanism without need for Congressional approval of an interstate compact.

Nevertheless, here we are, having to justify what you as a Commission have been successfully doing for our region. Allow me, then, to introduce myself, and the perspective which I bring to you.

My name is William Bell, and for the past 25 years have been serving as Executive Director of one or more agricultural organizations in the Northeast.

My first position was as Executive Director of the Maine Poultry Federation, which 25 years ago included 5 major broiler processing firms here in Maine, hundreds and hundreds of farmers raising chickens for each of these firms, and thousands of employees earning relatively good money in the plants.

These firms and farmers worked hard, employed excellent technology, but ultimately could not compete with southern and midwestern farmers who have the corn and soybeans right at hand, rather than having to import feed grains from Michigan and Ohio, which was Maine's case. There are now no broiler plants in all of New England; chickens are raised on a backyard basis only, and there are only 5 egg farms of any size in New England. Twenty-five years ago, there were about 50 egg farms in Maine alone. The only reason there is any egg industry in New England is because of our regional preference for brown eggs, and the fact that the egg producers have advertised --"Brown Eggs are Local Eggs, and Local Eggs are Fresh"-- and obtained a significantly higher price for their product, as compared to midwestern or southern eggs, which otherwise would have overwhelmed us long ago.

My point here is simply that an entire agriculture sector can disappear, as the chicken industry did in Maine, if producers don't have the ability to get together and protect their market. I've seen it happen, and I don't want to see it happen again.

I now staff the two livestock feed industry groups for the firms which serve our region--the New England Grain and Feed Council, and New York State's Eastern Federation of Feed Merchants. And I'm here to tell you that these two organizations wholeheartedly support the Dairy Compact, and urge its continuation.

Dairy farmers are our most important customers. The Compact milk prices are what has kept many of these customers in business, during tough times, when even our best customers would otherwise have struggled mightily to pay the feed bill.

Our feed firms don't want to wind up with five huge dairy farms in New England, as has happened in the egg industry. When a feed firm's customer base gets too concentrated, no matter how many cows are being fed, that firm is in trouble. There is now only one feed company which is selling much in the way of poultry feed, and that amount is dwindling. Most of the chicken feed is manufactured by the egg companies themselves. This is very efficient, to have these large complexes, five of them in New England, making their own feed and producing almost all the eggs. But I think our citizens want something more than efficiency.

Years ago, we had a referendum on milk pricing here in Maine. The Portland newspapers made all the same comments they do now about the evils of a pricing system which kept some dairy farmers in business, allegedly at the expense of consumers. Then consumers voted, and chose open space, and continuing a difficult-to-understand milk pricing system, over pure economic "efficiency" in milk pricing.

This decision of consumers must be allowed to stand. I commend you, as a Commission, for your sensitivity to some very valid issues--the need for low-income women to be able to purchase milk at absolutely the lowest possible cost; the need to guard against over-production, if in fact the Compact might be stimulating this (which I don't think is the case), and the need to have milk prices at a level which doesn't invite in milk from other regions.

Thank you for having this meeting in Maine. And on behalf of our region's feed dealers and manufacturers, thank you for doing what you do.