



DAIRY PAIR: Irving Fraleigh stands with one of his charges at his farm on Route 199 in Red Hook. Fraleigh, a life-long Red Hook dairy farmer, says the most recent fall in milk prices is nothing new, but it's one more thing that's going to hurt the farmer. (Photo by Kathy Leonard.)

Falling milk prices hurt local dairy farms

by Robert Doar
and Kathy Leonard

Dairy farmers are facing hard times.

That is the conclusion of farm economists and local dairy farmers who have seen the price of milk fall dramatically in the past two months and expect the downward spiral to continue well into 1991.

The result will be prices that could be as much as 35% less than prices in January 1990.

To local dairy farmers who have seen the price of everything else go up, that price drop is very bad news.

"Prices per hundredweight of milk are expected to fall from a high of

\$15.50 a year ago to as low as \$9 this coming January," said Robert Wellington, an economist with Agrimark, a milk cooperative which serves some 20,000 farmers in New England and eastern New York.

Each \$1 drop in price per hundredweight (a unit representing 100 pounds of milk) means a \$10,000 drop in income for a farm milking 60 cows. The expected price reduction could mean a drop of more than \$40,000 in total income for the average farmer.

Wellington attributed the drop in prices to the increased supply of milk caused by better feed quality

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this past year and more cows in production. "There is about 3% more milk in the nation," since a year ago when prices were high, said Wellington.

Red Hook dairy farmer Irving Fraleigh said price decreases are nothing new, but they hurt nonetheless.

"We're just going to have to absorb (the loss) ourselves, because we can't produce more," Fraleigh said.

The decrease could put some dairy farmers out of business, Fraleigh added. "You'd think when times got bad farms would look good, but farms are the first to go down."

Bouncing back

The drop, while severe, is not expected to last for more than a year. "We think prices will bounce back in 1992," said Wellington, who added that some farms are sure to be forced out of business by the sudden fall in prices.

While some farmers like Fraleigh have survived price decreases before and expect to survive this one, price cuts also bring down the value of the

cows.

"It hurts all the way down the line," Fraleigh said.

Another northern Dutchess dairy farmer who asked not to be named said the price decrease will cause about a one-fifth decrease in farmers' incomes.

"I've seen a lot of ups and downs since I'm in farming, and it's very hard to take those down sides," said the dairy farmer.

"All it takes is some bad luck beside that and you're done...It's almost like a cycle, every six or seven years you get those (decreases), but lately it's been too often."