

## Article 68A.

### North Carolina Dairy Stabilization and Growth Program.

#### **§ 106-812. Findings.**

(a) The General Assembly finds that North Carolina has suffered a significant loss of its traditional industrial and agricultural economic base. The State's dairy industry is at serious risk of total collapse unless milk prices reach levels sufficient to allow dairy farmers to meet production costs. At the same time, North Carolina is experiencing rapid population growth and urbanization. This growth and urbanization have fueled a rapid loss of prime agricultural land and green space, resulting in a decline in the quality of life for which the State is known.

(b) The General Assembly finds that the dairy industry in North Carolina makes a substantial economic, environmental, and quality-of-life contribution to the well-being of the citizens of the State. The dairy industry, including both producers and processors, currently contributes over six hundred million dollars (\$600,000,000) and 3,000 jobs to the State's economy. Properly managed dairy farms help maintain green space, keep prime agricultural land under production, maintain water quality, enhance food security, and provide a local supply of fresh milk at a reasonable cost to the consumer and to processors in the State. An adequate local milk supply has become increasingly important as transportation costs escalate, making the importation of milk from out-of-state increasingly expensive. The General Assembly finds, however, that despite its importance to the State's economic and environmental well-being, North Carolina's dairy industry is under severe economic pressure, and milk production is declining at an alarming rate. According to United States Department of Agriculture statistics, since 1985 the State has lost sixty-seven percent (67%) of its dairy farms and thirty-five percent (35%) of its processing facilities. North Carolina dairy farms no longer produce sufficient milk for North Carolina's processing facilities to operate. Milk must be imported 10 out of 12 months each year to keep these processing facilities functioning. Further, farm prices for milk exhibit great volatility, creating financial risk and discouraging investment. The General Assembly finds that it is essential to a viable North Carolina dairy industry to have locally produced milk available to processors in the State. The General Assembly further finds that it is essential to the well-being of the citizens of the State to have a local supply of fresh milk available at reasonable cost and not subject to the vagaries of transportation costs and production conditions in other regions of the country.

(c) The General Assembly finds that one of the primary reasons for the decline in milk production in the State is the gap between the price paid to farmers for milk under the federal milk programs and the actual cost of production. Inability to meet production costs combined with increasing land prices have led many milk producers to sell their farms for development and retire or turn to other employment. The General Assembly finds that the most effective means to ensure the continuation of a viable dairy industry in this State is to establish a price floor for milk to enable dairy farmers to meet their production costs. It is the intent of the General Assembly to establish a price support program that will stabilize and reverse the decline in the local milk supply and in the dairy industry in the State and encourage new producers to enter the dairy industry. Sustaining and growing North Carolina's dairy industry will advance the State's goals of preserving and enhancing its economic base and improving the quality of life in the State through maintaining green space and water quality and assuring an adequate local supply of fresh milk. (2006-139, s. 1.)