



MISSOURI SENATE

JEFFERSON CITY

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For Immediate Release:
February 23, 2006

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PRESS RELEASE

Senate Approves Cauthorn's Ag Bill

Dairy Farmers, New Generation Cooperative Members Gain in Legislation

JEFFERSON CITY, MO – Missouri's status as a milk deficit state and declining dairy production may end soon. The Missouri Senate unanimously approved Sen. John Cauthorn's SB 773 today, which assists Missouri dairy farmers starting or expanding their operations.

Cauthorn's bill directs the Missouri Agricultural Small Business Development Authority (MASBDA) to pay the first year of interest payments on link deposit loans for dairy cows.

"Keeping youth in rural Missouri means creating opportunities, and this bill creates opportunity for a farming operation to start, grow and prosper," said Cauthorn. "Deciding to start a dairy operation, or expanding one, can be a daunting task, and paying interest before profits come in can be a burden. Forgiving those interest payments during the first year can literally make their dairy operation succeed."

For the last 15 years Missouri's dairy industry has been in decline. There are 70 percent fewer dairy farms and half the number of dairy cows than 15 years ago. Currently Missouri imports 1.4 billion pounds of milk.

According to a University of Wisconsin study, a 700-cow dairy operation would have an economic impact to Missouri of more than \$9.6 million, or \$13,737 per cow.

"Missouri's dairy industry needs a boost, because it's good for the economy or good for rural Missouri," said Cauthorn. "This initiative means jobs and dollars in rural Missouri, and reason for youth to keep farming."

Also included in the bill is language from SB 775 affecting value added cooperative bylaws. Under the bill, interim forming board members of coops may receive reimbursements only upon a majority vote of all members. Currently, only a majority of responding ballots is needed for a reimbursement.

"We must protect the trust and accountability with our coops," said Cauthorn. "Board members should be compensated for their work, but only with the blessing and support of a majority of investors. This is best done openly and transparently."

The legislation came on the heels of East Central Agriculture Products (ECAP) board of directors seeking \$215,000 in membership interest. Members found out about the actions on the 23rd page of a letter mailed last September.

“Luckily this time everyone was able to come to the table and discuss this, and a solution was found,” said Cauthorn. “Next time folks might not be so lucky, and we must ensure forming boards stay focused on the end goal of improving rural Missouri, not individual profiteering.”

Sen. Cauthorn represents Missouri’s 18th Senate District. He can be reached at his capitol office at (573) 751-6858. You can also visit his web page by going to www.senate.mo.gov/cauthorn.

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Editor’s Note:

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