

Selling the Soil to Save the Farm

NEW YORK TIMES - July 4TH 1993

By JACK MILLEA

AN enormous pile of dirt alongside Route 34 near Grassy Hill Road in Orange is patiently being scraped from the cornfields of Field View Farm by a large yellow bulldozer. That mound symbolizes just how difficult the business climate is these days; Walter Hine has made a decision to sell the soil off his farm, the very earth his family has cleared, encircled and cultivated for the past 354 years.

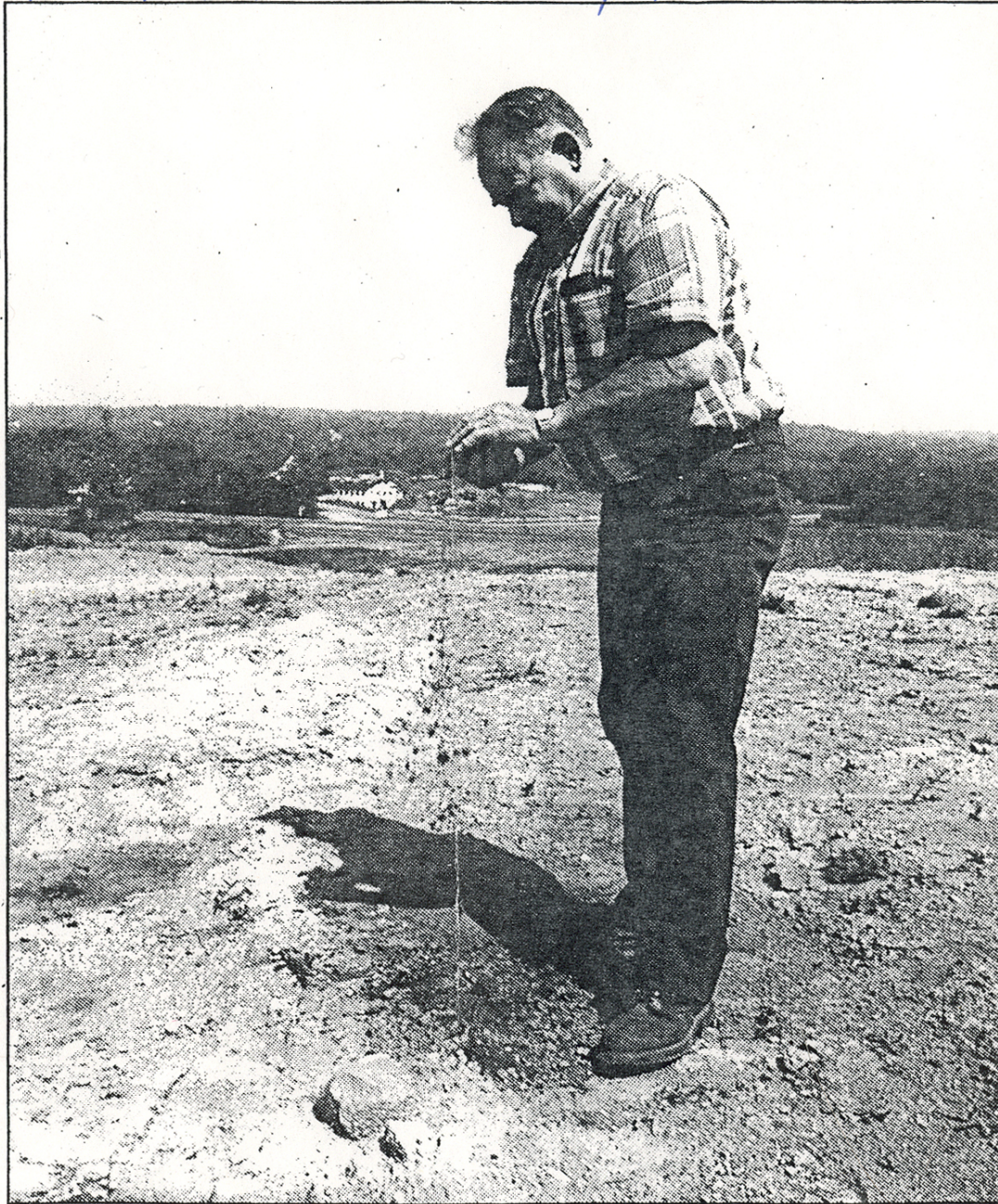
The farm is considered to be among the the oldest continuous farming businesses in the United States. In the mid-1600's, the Dutch settlers in New Amsterdam had a derogatory name for the Connecticut dairy farmers who brought products into the big city for sale. "Johnny-cheese," they called him, "Jan-kees." **Thomas Hine** was one of the original Yankees, having been given a good deal on the land in 1639 by Indians in return for his support in a tribal war.

Field View Farm Transportation, Inc. is the principal business for Mr. Hine and his family these days, having grown from the horse-drawn wagons that brought milk and ice to Derby and Ansonia a hundred years ago. Now as many trailers haul beer and paper products as there are cows producing milk for dairies, about 150.

Whitewashed Buildings

Mr. Hine's office is in one of several whitewashed clapboard buildings clustered behind the cow barn, and could easily be mistaken for an equipment shed. Inside, Mr. Hine is on his hands and knees, fixing the caster on a metal office chair. Overnight, a trailer rig has jackknifed in Pennsylvania and another truck is disabled in New York. He sits on the edge of the chair's worn padded seat now, a hand spread over each knee, his work-booted feet planted flat on the worn brown linoleum floor. He is a man used to getting up from his seat in a hurry.

Mr. Hine never thought he'd be



Steve Castagneto for The New York Times

Continued on Page 6

Walter Hine of Orange looking at soil he is selling to keep his dairy farm solvent.

In Orange, Selling the Soil to Save a 354-Year-Old Farm

Continued From Page 1

running a trucking company, two school bus routes, a farm store (milk, bread and vegetables in season) and a swimming pool water service to support a farm he's able to tend "just evenings and Sundays," he shrugs.

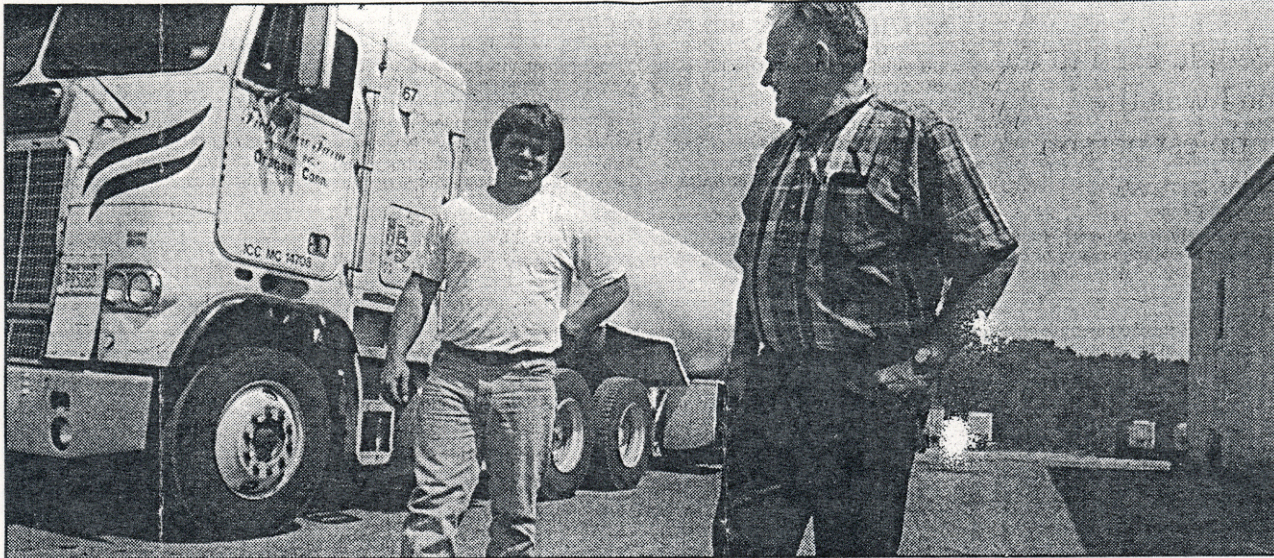
The overriding problem is that milk simply costs more to produce than the income it generates. This simple fact of a structured economy, plus the forces of the Northeast's long, deep recession and new tightening of business credit have Mr. Hine fearful for the future.

'A Surplus of Milk'

"The Federal Milk Administration fixes the milk price. They say there's a surplus of milk in the United States, but that's out where they don't need barns, and they don't have winter — but you can't ship fresh milk from California to Connecticut. You can ship produce and you can ship milk byproducts, cheese and butter, but you can't get fresh milk from across the country."

Mr. Hine said as recently as three years ago, he was getting \$18 or more for a hundred pounds of raw fluid milk. Today, the federally established price hovers around \$12 a hundred pounds.

Besides the dairy farm's own problems, there are trucking company customers who "are going Chapter 7, or Chapter 11, whatever; we have lost \$102,000 in receipts over the last four months," he said. During slow periods or when cash is not available in the economy, businesses generally borrow against future receipts with letters of credit. Since the savings and loan failures, lending institutions have clamped down to the point where "you just can't go to 'em anymore, and we've got to raise cash to pay our debt. We're fortunate that our neighbors buy our sweet corn, and we have the buses, too. Every cent goes into keeping the farm going."



Photographs by Steve Castagneto for The New York Times

Walter Hine with his son Greg near trucks belonging to Field View Farm Transportation, farm's principal business.



raise cash, resulting in a deed restriction on the land that requires it be used for farming. In 1986, however, the Federal dairy termination program bailed hundreds of state farmers out of the dairy business with the stated purpose of relieving the national milk glut.

On the fifth day of every month, small dairy farmers in Minnesota and Wisconsin sell their raw milk to local processors. The price of this milk is fed into a formula that tells Walter Hine what he will be paid for milk two months hence.

The Federal Agriculture Department's milk market administrator for the Northeast, Eric Rasmussen, whose territory includes Field View Farm, said a Federal farm law set support prices for butter, non-fat dry milk and cheese, prices the Government will pay as a buyer of last

For dairy farmers, milk prices are down, production costs up.

resort. The regulations also include the market floor for raw milk.

Mr. Rasmussen said that while the price formula incorporates the free market influence of the Minnesota-Wisconsin raw milk price on the fifth day of each month, the "down side is that the regional floor — as well as the national — has nothing to do with the cost of production."

'Numbers Are Lousy'

That cost, he said, "depends on the individual farmer, it really does. With no debt, and by using family labor, you can probably weather this price

ship produce and you can ship milk byproducts, cheese and butter, but you can't get fresh milk from across the country."

Mr. Hine said as recently as three years ago, he was getting \$18 or more for a hundred pounds of raw fluid milk. Today, the federally established price hovers around \$12 a hundred pounds.

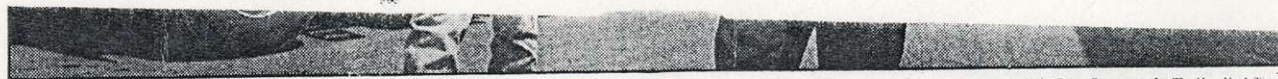
Besides the dairy farm's own problems, there are trucking company customers who "are going Chapter 7, or Chapter 11, whatever; we have lost \$102,000 in receipts over the last four months," he said. During slow periods or when cash is not available in the economy, businesses generally borrow against future receipts with letters of credit. Since the savings and loan failures, lending institutions have clamped down to the point where "you just can't go to 'em anymore, and we've got to raise cash to pay our debt. We're fortunate that our neighbors buy our sweet corn, and we have the buses, too. Every cent goes into keeping the farm going."

A Plan for Topsoil

Mr. Hine said that what it came down to was, "How can I keep the farm still a farm?" The answer was his plan to pull the topsoil off the 60-plus acres adjacent to Route 34 and Grassy Hill Road in four-acre sections, remove 200,000 cubic yards of subsoil and sell it. Clean fill, according to one paving contractor, can command anywhere from \$1.50 wholesale to \$7 retail per ton (a ton equals about 1.3 cubic yards). Once the subsoil is sold, Mr. Hine plans to push the topsoil back over the newly contoured field.

Grassy Hill is a classic New England drumlin, an oval-shaped hill pushed up by glacial movement along a north-south axis, with a steep north side and a longer, tapered south face. Mr. Hine's field is the north end of the ancient formation, and besides raising cash, he hopes "we will improve the land, reduce erosion and keep the farm going."

Mr. Hine is convinced there is a genuine need for milk in Connecticut, and that the business must at some point become commercially viable



Photographs by Steve Castagneto for The New York Times

Walter Hine with his son Greg near trucks belonging to Field View Farm Transportation, farm's principal business.



Farm machinery at Field View Farm, considered to be among the oldest continuous farming businesses in the country.

again. "Connecticut produces about 40 percent of the milk it consumes, but you'll have to check with the Connecticut Farm Bureau about that. Dropping the price just doesn't make sense here. The fresh milk just can't be transported that far. A lot of milk for New York City is already coming from Pennsylvania — it's just not the same as fresh."

Today, there are 350 dairy farms in

Connecticut, averaging herds of 100 cows. Ten years ago, there were 594 farms averaging 50 cows, so there was roughly the same total number of cows as there is today. But in 1970 there were 1,127 dairy farms, and in 1940 there were 6,233 — the state's all-time high.

The director of the dairy division of the state Agriculture Department, Gabe Moquin, agreed that milk prices

to producers have generally fallen over the past three years, and said they are "roughly the same as they were 10 years ago," between \$12 and \$13 per hundred pounds. "However, the cost of production has risen dramatically," he said. "Ten years ago, costs and prices were roughly equal. Today, the cost is \$16.85." So, with nothing to supplement their costs, Connecticut dairy farmers are shipping about \$5 out the barn door with every hundred pounds of raw milk.

As for the federally decreed milk surplus and its effect on business, Mr. Moquin said the Connecticut farmer "can produce about 70 percent of the fluid milk consumed in the state," but

55 to 60 percent of its fluid milk coming from out of state. Finally, Mr. Moquin noted that there is a growing "dislocation of the dairy farmers away from the centers of population."

Does this mean that fewer, larger farms will produce virtually all the milk consumed in the state, and that milk will travel in refrigerated trucks over great distances, effectively eliminating fresh milk from the market place?

Are Policies at Odds?

State and Federal policies seem at odds in this regard, according to dairy experts. The State Agriculture Department offers a farmland pres-

For dairy farmers, milk prices are down, production costs up.

resort. The regulations also include the market floor for raw milk.

Mr. Rasmussen said that while the price formula incorporates the free market influence of the Minnesota-Wisconsin raw milk price on the fifth day of each month, the "down side is that the regional floor — as well as the national — has nothing to do with the cost of production."

'Numbers Are Lousy'

That cost, he said, "depends on the individual farmer, it really does. With no debt, and by using family labor, you can probably weather this price structure." Mr. Rasmussen said he believes the cost of production figures are almost meaningless. "The numbers are lousy," he said.

Mr. Hine, familiar with the numbers, relies on family labor, and is grateful that his sons, Rick and Greg, are deeply involved in the farm.

"Rick does the inside — the barn work — with the cows and all, and Greg and myself handle the outside work, the trucks and school buses. Rick is working on getting a pasturizer, which will allow us to process our milk here, and milk we process here we can sell here and establish our own price for."

It is not hard to imagine a milk industry of the future dominated by a few enormous processors who send refrigerated milk caravans across the country (as is the current pattern between Florida and Wisconsin) as well as a number of small dairies who find a niche by providing fresh milk daily to local supermarkets.

But such thoughts currently are distant for Mr. Hine. "All the accountants who ever come here, they all say the same thing. They look at the numbers, then they say, 'Get a 4-by-8 piece of plywood and a can of spray paint and write FOR SALE on it and stick it on the corner.' They don't understand. My value is not in the money. It's in the work."

Mr. Hine's hands drop and he gets ready to stand and get back to work.