

# STATE AUDITOR DOUG HOFFER

## Press Release

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## **Auditor Doug Hoffer Releases New Report: “Examining Vermont State Spending on the Dairy Industry from 2010 to 2019”**

MONTPELIER, VT – Vermont State Auditor Doug Hoffer released a first-ever comprehensive accounting of Vermont state government’s total annual spending in support of Vermont’s dairy industry. From State fiscal year 2010 to 2019, the State Auditor’s Office estimates that Vermont taxpayers spent more than \$285 million on programs and policies to support the dairy industry and/or address adverse environmental impacts caused by some dairy practices. In fiscal year 2019, the most recent year of the analysis, spending totaled more than \$35 million.

“Every Vermonter knows the important historical contribution dairy farming has made to our state’s economy and identity,” said Auditor Hoffer. “We also know the last few decades have been extremely challenging for small- and mid-sized dairy farms. Below-cost payments from milk processors, industry consolidation, water quality requirements – these and other pressures help explain why Vermont went from 4017 farms in 1969 to fewer than 650 today.

“As the state’s accountability office, my team and I engaged in this analysis to provide a comprehensive look at how taxpayer funds are being used to support the dairy industry and increasingly, to address the environmental impacts of dairy farming. We hope that this report will serve as a baseline for State government leaders and the public as they consider the future of Vermont’s dairy industry and what role public funds should play.”

The report describes and quantifies all State-funded programs that offer direct benefits to dairy farmers (Part I), and/or mitigate the environmental impacts of some dairy farming practices (Part II). The largest financial benefits to dairy farmers come from tax policies and benefits, specifically, exemptions to the Sales Tax and reductions in Property Taxes through the Current Use Program. While spread across many programs, grants related to dairy’s environmental impacts are also sizable and have grown in recent years, particularly with the implementation of Vermont’s Clean Water Initiative.

Hoffer added: “The Legislature and the Executive branches each recognize the challenges facing Vermont dairy, and have initiated a series of efforts to re-imagine the future of Vermont dairy. As they consider the state’s role in that future, it’s critical for them, and for the public, to know how much taxpayers expend *today* to support the industry. My office completed this important work to the create an accountable role for the state moving forward.”

To view the full report and a report summary, please click [here](#) and [here](#).