



**Testimony of the Maine Organic Farmers and Gardeners Association  
In Support of LD 2188 - *Resolve, Regarding Legislative Review of  
Chapter 26: Producer Margins, a Major Substantive Rule  
of the Maine Milk Commission***

**February 7, 2024**

Good afternoon, Senator Ingwersen, Representative Pluecker and the members of the Agriculture, Conservation, and Forestry Committee. My name is Heather Spalding and I am deputy director of the Maine Organic Farmers and Gardeners Association (MOFGA). I am speaking today in support of LD 2188 - *Major Substantive Rule Changes proposed by the Maine Milk Commission, and the Milk Tier Program.*

MOFGA is working to build a food system that is healthy and fair for all of us. Through education, training and advocacy, we are helping farmers thrive, making more local, organic food available and building sustainable communities. We certify 526 organic farms and processing operations, representing approximately \$122 million. Of the 146 cow dairy farms in Maine, 58 are certified organic and MOFGA certifies 53 of them. Five are certified by other operations accredited by USDA. MOFGA works hard to create opportunities for Maine's next generation of farmers. Each of these farmers is a Maine businessperson for whom economic health and environmental health are interdependent. While we envision a future of healthy ecosystems, communities, people and economies sustained by organic agriculture, we attribute our success to collaboration and outreach to growers across the management spectrum.

The cost of producing milk in Maine has been rising steadily over the past 50 years, while the price that farmers receive for their milk has become increasingly volatile. We continue to lose farms due to this pricing instability. Maine has lost 69 dairies since December of 2019. Certified organic dairy farms peaked at 73 in 2018 and have dropped to 58. Many of Maine's dairy farmers are nearing retirement, and it is unclear how many of them have identified successors due to the difficulty turning a profit in this environment. MOFGA soon will release an organic farm economic impact report. Our research shows that, while organic dairy is our top product category with just over \$15.5 million in sales in 2021 and an economic impact of \$29 million, the dairies are operating at a big loss. Non-labor expenses alone exceed revenues. Factoring in labor, owner's pay, loans, and equipment costs paints a dire picture. As land values climb and development pressures mount, many farmers are facing a difficult choice about the future of their operations and the land base that supports them. Do they continue to pay rising property tax costs, or cash in and pursue another lifestyle?

The economic impact of the dairy industry is felt throughout the agricultural sector in Maine. Because of the enormous expenses associated with maintaining a herd (feed costs, milk transport, equipment purchases and repair, and labor), the economic ripple effects of losing a dairy farm are felt far and wide. Our dairy farms maintain so many of the services that vegetable and fruit producers, homesteaders and even gardeners rely on. We could be nearing a tipping point at which we'll have too few dairy farms to support our diverse community of producers.

Maine is unique among Northeast states in that it has committed to supporting dairy farmers with cash payments, when milk prices fall below the cost of production, through its Dairy Stabilization Program, or Tier Program. Through this program, dairy farmers receive economic support when pay prices fall below break-even price points specified by the Milk Commission. When the Tier Program is not fully funded, dairy farmers who stay in production lose money on their milk, and have to subsidize their own production with off-farm jobs or savings.



Local agriculture is vital to Mainers, even those not invested in the agricultural industry, due to the resilience it gives us when the supply routes break down as they have done during the Pandemic and periods of international conflict. A stable and thriving dairy sector is necessary for Maine to become more self-reliant in food production and consumption. We are critically dependent on food from away and we have the land, water, knowledge and climate to change this if we invest generously and wisely in our dairy sector. The Milk Tier program will be an essential part of our dairy future.

Also of great significance to the wider public is the open space that dairy farms maintain. When dairy farms close, hundreds of acres go out of production, making them vulnerable to the pressures of development. These open acres currently provide extensive opportunities for hunting, snowmobiling, and tourism in Maine. A stable and healthy dairy sector in Maine's agricultural landscape also is critical for climate resilience. The Maine Climate Council's 2020 climate action plan, *Maine Won't Wait*, underscored the importance of natural and working lands for achieving net-zero emissions by 2045 and storing carbon for decades to come.

The Dairy Tier program is the envy of dairy farmers throughout the Northeast and the whole country, and truly is the reason we continue to have a dairy industry in this state. Although we have clearly lost an alarming number of dairy farms over the past couple of decades, Maine agriculture would be in far worse shape had not the Tier Program provided critical funding for our dairy farmers. This support has had a demonstrable and significant effect on Maine dairy viability. We hope that you will stand with MOFGA and Maine dairy farmers in support of this invaluable program.

Thank you for your consideration of these rule changes. I would be happy to answer questions if you have any.

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*The Maine Organic Farmers and Gardeners Association (MOFGA) started in 1971 and is the oldest and largest state organic organization in the country. We're a broad-based community that educates about and advocates for organic agriculture, illuminating its interdependence with a healthy environment, local food production, and thriving communities. We have 15,000 members, we certify more than 500 organic farms and processing facilities representing \$120 million in sales, and we are working hard to provide training and create opportunities for Maine's next generation of farmers. Each of these farmers is a Maine businessperson for whom economic health and environmental health are interdependent. While MOFGA envisions a future of healthy ecosystems, communities, people, and economies sustained by the practices of organic agriculture, we attribute our success to collaboration and outreach to growers across the management spectrum.*