

Maine Dairy Industry Association
PO Box 5013 | 337 State Street
Augusta, ME 04430



Annie Watson, President
Dale Cole, Vice President
Jason Tessier, Secretary
Heath Miller, Treasurer
Dick Perkins, At Large

3/20/23

Good morning, Senator Ingwersen, Representative Plueker and members of the Agriculture, Conservation and Forestry Committee,

My name is Annie Watson. I am here today speaking on behalf of the Maine Dairy Industry Association, of which I currently serve as President, and as a first-generation dairy farmer, myself.

The Maine Dairy Industry Association (MDIA) is the trade association representing all the cattle dairy farms in Maine who are transporting milk off the farm for processing and/or sale. MDIA represents all sizes and types of Maine's dairy farmers and farm families – those using conventional or organic production methods. Our members range in size from operations milking as few as 10 cows to as many as 1700 cows. Most of MDIA's farmers sell their milk through cooperatives or independently to processors making a variety of dairy products, from fluid milk and ice cream to cheese and butter, though the majority of Maine milk is designated for fluid milk at one of the 4 major Maine bottling plants. We also have members who sell their milk, homemade cheese and butter directly to the consumer from the farms.

My husband and I co-own and operate Sheepscot Valley Farm, an organic dairy farm in Whitefield. We milk 65 Holsteins and raise 70 young stock, and farm approximately 450 acres in the surrounding towns. We ship milk to Organic Valley. We purchased our farm in 2013 from a retiring dairy farmer, and we have made major capital investments into the infrastructure and equipment on our farm in the last ten years, in order to become more efficient and sustainable. While the farm has seen many changes in those ten years, the most unsettling change has been to the market.

In January of 2022, we had 180 dairy farms in the state, today, that number is down to 156. In 2022 we lost 20 farms in our state, 6 organic and 14 conventional. In January of 2023, we lost 4 farms, today we are faced with the reality that several others are on the brink of selling out. This loss is startling, and yet consumer trends continue to show dairy staying strong. Dairy consumption per capita has continued to grow- 2021 saw 1.2% average annual growth, and the last 10 years have averaged 1% annual growth in consumption. It is also important to point out that all of the fluid milk processed in Maine, is consumed by Mainers. There is so much value in this fact, as one of the driving factors for farmers is often the ability to feed our neighbors.

At this moment in time, however, our farms are in crisis and need an immediate lifeline. Let me be clear, this emergency relief is not going to fix all the issues our dairy industry is facing. MDIA is working to impact federal programs and pricing that could have a positive impact on our state's dairies, but all of that work is ongoing and does not happen overnight. This relief is what our dairy farms need now, if we are going to continue to offer the economic stimulus our farms provide, not only for our agricultural community, but for all of those whose jobs rely on our industry- four processing plants in our state, our

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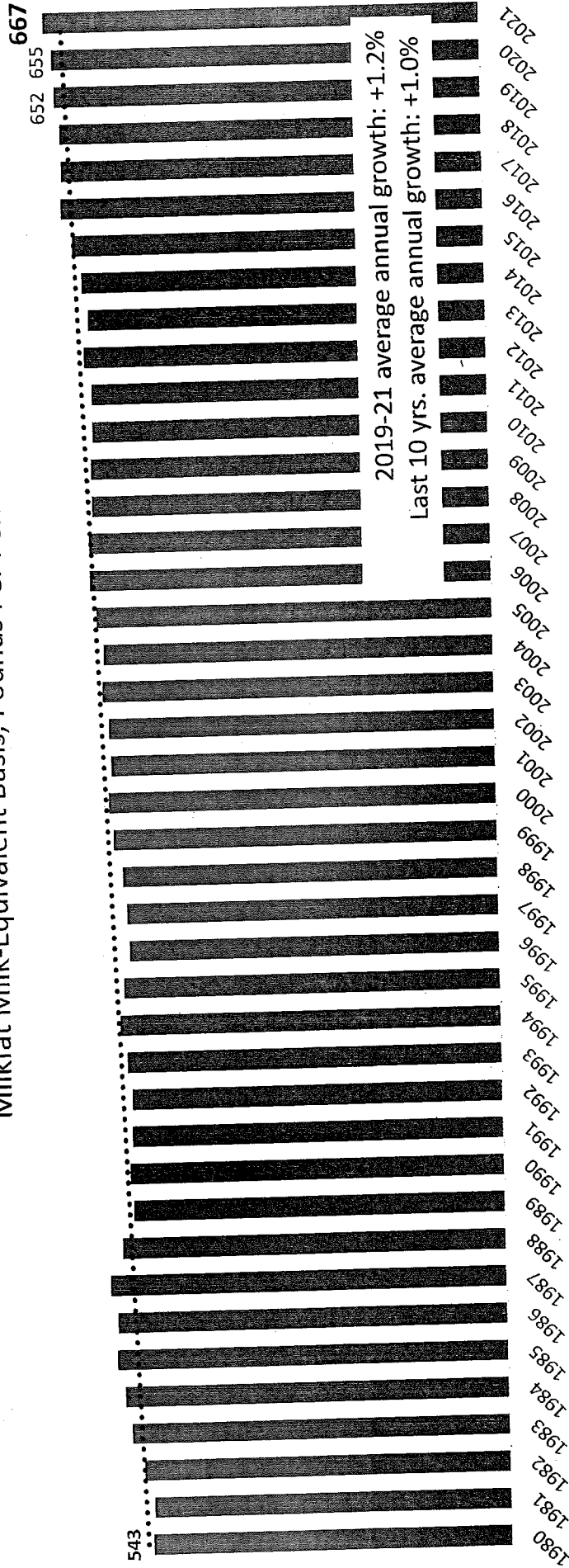
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veterinarians, feed mills, milk supply companies, and every small business in between that our dairy farms support, plumbers, carpenters, welders, mechanics, and more.

When we talk about our dairy farms, we aren't just talking about our own farm families, we are talking about the greater agricultural economy within our state. Any investment made into our farms is an investment into our rural economy, and I think we all understand how important our rural economy and communities are to our state. Thank you for your time today, and I welcome any questions.

U.S. Dairy Per Capita Consumption Growth Continued in 2021. Twelve Pound Per Person Increase 2020 to 2021.

U.S. PER CAPITA DAIRY PRODUCTS CONSUMPTION
Milkfat Milk-Equivalent Basis, Pounds Per Person



Source: USDA ERS Dairy Data
Note: Per capita consumption is calculated by dividing domestic dairy disappearance by the U.S. resident population plus armed forces overseas. It is a proxy for consumption as it does account for product waste/loss

In Maine, Nine of 10 Dairy Categories Saw Growth 2019-22; Early 2023 More Challenging



% AVERAGE RETAIL VOLUME GROWTH 2019-22 % RETAIL VOLUME CHG. 2023YTD (3/5)

	MAINE	U.S.	MAINE	U.S.
Whip Cream	8.3%	10.0%	1.2%	29.5%
Fz Novelties	7.2%	5.4%	0.4%	-4.8%
Cheese	3.7%	2.8%	0.5%	-2.8%
Sour Cream	3.1%	1.6%	-2.3%	-3.8%
Butter/Blends	2.1%	2.3%	-1.4%	-3.9%
Yogurt	1.4%	0.7%	1.0%	0.5%
Cottage Cheese	1.2%	-1.8%	2.5%	-0.8%
Ice Cream/Sherbet	0.8%	-1.7%	-3.6%	-4.0%
Dairy Cream/Half & Half	0.4%	-0.3%	0.0%	-1.6%
Milk	-1.7%	-2.7%	-2.8%	-4.6%

Source: IRI Unity; Fz Novelties exclude ice pops; Whip cream includes liquid and aerosol.

Notes Comments

