



Milkhouse Yogurt: 100% Organic – 100% Maine Ingredients – 100% Farmstead Made

Chairs Ingwersen and Pluecker, members of the agricultural, conservation & forestry committee,

My name is Andy Smith, I am the president of the Maine Organic Milk Producers, which represents the over 50 organic dairies in the state, as well as the co-owner of a dairy farm and creamery called The Milkhouse with my partner Caitlin Frame. I am here today to express my support for LD2188. The Tier Program is a vital and equitable lifeline for Maine dairy farms without which I fear we will see the near total collapse of the Maine dairy industry. It is my hope that the committee will support the adoption of the new cost of production figures as they more accurately reflect the reality of dairying in Maine in 2024 after the period of high inflation we all just experienced. Pay prices to farmers have remained largely unchanged during this period which has put our industry under an extreme amount of pressure.

While I am the president of MOMP, you've already heard directly from a number of organic dairy producers who ship milk to bulk buyers, so I'm going to focus more on my own experience as a value added producer. My partner and I purchased our farm in Monmouth in 2015 where our family and 7 employees farm 250 acres organically, milking 40 cows and raising beef and hogs. Something that makes our operation unique is that we market all of our milk directly, processing much of it into yogurt as well as selling bulk milk to several cheesemakers. Adding value to our milk instead of selling to a larger buyer is advantageous in times like these when commodity prices are far below the cost of production. One may think that makes us immune to the pressures of the larger market, however, we and other direct market dairies still find that the Tier Program is vital to keeping our operations solvent. The reality is that our costs are enormous as first generation farmers and we can only price our products so far above the competition, which is often not high enough to cover the real costs of production. This is especially true in Maine where input costs like grain and electricity are sky high.

Furthermore all Maine farms rely upon a shared support network of grain suppliers, milking system technicians, large animal veterinarians, livestock haulers, slaughterhouses, equipment dealerships, and many others. I fear we are nearing a tipping point at which our state's dairies are too few and far between to sustain these vital businesses, the loss of which would be catastrophic even for those of us dairying outside the commodity market.

There is great value in the existence of Maine's dairy farms. They provide jobs, a product our state can be proud of, their command of hundreds of thousands of acres of farmland contributes to the beauty of our state which millions of visitors come to experience annually. Dairy farm land is often used recreationally for hunting, skiing, and snowmobiling. Dairy

farming defines the rural character & lifestyle of Maine, and nearly every dollar that comes through the tier program goes directly back into our local communities. We need to maintain our support of farms, or we risk losing them forever.

While the challenges to our state's dairies rest largely in federal policy problems, like the failure to evenly enforce organic standards or our archaic federal milk marketing order, I have little hope that we will see imminent, meaningful changes to federal policy due to the ongoing dysfunction in DC. Until that day comes, the best means we have to support the Maine dairy industry is by continuing the Tier Program and updating its production margins. It is by far the most efficient tool available to support our industry, and does so more equitably than grant and loan programs alone ever could. Thank you for your continued support of Maine dairy farmers.

Sincerely,

Andy Smith

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