



Senator Rotundo, Representative Sachs, and members of the Committee on Appropriations and Financial Affairs; Senator Ingwersen, Representative Plueker and members of the Agriculture, Conservation and Forestry Committee,

My name is Andrew 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 an organic dairy farm and creamery called The Milkhouse. I'd like to thank the committees here today for their continued support of our state's dairy sector, including the emergency payment issued last year. This aid helped our state's dairies weather the period of high inflation we all just experienced, during which pay prices to farmers remained largely unchanged, which put our industry under an extreme amount of pressure.

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 onto our farms goes directly back into our local communities. Perhaps most importantly, our farms will play a large role in the state's climate and food security goals as pasture and hayfields sequester large amounts of carbon while growing forages that enable us to produce a nourishing product year round.

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 and other farmers of all kinds. Simply put, dairy farms anchor the farm economy in much of our state.

Last year Northern New England farms experienced the wettest summer in over a century which compounded an already dire economic situation. Many organic dairies continue to be unable to cash flow basic inputs like grain and the routine maintenance of equipment and facilities causing many to either drain what personal savings they have to stay in business or to exit the industry altogether. Nationwide roughly 25% of organic dairies have sold their herds since 2019. The decline has been even sharper in New England where Vermont lost a staggering 75 of its 200 organic dairies, nearly 40%, during this brief time period.

While Maine has seen a decline in the number of organic dairy farms during this time frame, we have been buffered by the continued support of our state government. Thanks to both the tier program and the emergency relief issued last year, our state has only lost about 15% of our organic dairy farms since 2019. I raise this statistic not to say these programs are flawless or that any loss of farms should be seen as success, but that they have a demonstrable positive impact on our sector. I have no doubt that with the increased funding for the Tier program in the budget, we will further bolster our state's dairy industry. Your support saves farms, it keeps Mainers employed and our rural landscape open and working for the people of Maine.

The problems facing dairy are so much bigger than state politics. In the organic sector much of it comes down to the failure of the USDA to evenly enforce organic standards, particularly when it comes to grazing requirements. This has led to a small number of very large farms flooding the market with "organic milk" which has depressed pay prices in the whole sector. I hope we see progress on this issue in the near future, but given the incredible division and dysfunction in DC, I don't hold much hope. But what I am hopeful and appreciative of is the continued bipartisan support our state gives to its dairy farmers.

Until we see meaningful federal policy changes, 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,

Andrew Smith
President of Maine Organic Milk Producers