

Maine Dairy Industry Association  
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Annie Watson, President  
Dale Cole, Vice President  
Jason Tessier, Secretary  
Heath Miller, Treasurer  
William Bullard, At Large

## **TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON AGRICULTURE, CONSERVATION AND FORESTRY**

*in support of*

### **LD 473 An Act to Implement the Recommendations of the Task Force to Support Commercial Dairy Farms in the State**

May 13, 2025

Senator Talbot-Ross, Representative Pluecker, and esteemed members of the Committee:

My name is Annie Watson. I am an organic dairy farmer from Whitefield, and I serve as the President of the Maine Dairy Industry Association. MDIA represents the 137 cow-dairy farms in the state shipping milk. Our farms are located in 15 of Maine's 16 counties. MDIA represents all of Maine's dairies, no matter the size or style of operation. Our producers range in size from five to 2,000 cows. We have 90 farms producing milk using conventional systems of production, and 47 using organic systems. All but two of these farms are owned and managed by Maine families. Some are multi-generational families who have stewarded Maine's farmland for hundreds of years, while many are first generation farmers, just starting on their own family's farm journey. It is on behalf of these farms that I am here today to express our strong support for LD 473.

This legislation addresses the persistent financial pressures threatening the viability of Maine's commercial dairy farms—businesses that are foundational not only to our state's agricultural heritage, but also to our rural economy, food security, and working landscapes.

### **Amendments to the Tier Program and Milk Handling Fee**

While we support the proposed updates to the Milk Handling Fee, we have concerns about the language regarding target pricing—specifically, the phrase “not less than 25% of the short-run break-even point.” This wording risks undermining the integrity of the process used to calculate that break-even point. The Cost of Production Study, conducted every three years, is a vital, data-driven tool that reflects the actual costs faced by dairy farms. Setting a minimum

threshold below these calculated costs diminishes the study's value and could compromise the Tier Program's effectiveness.

For the Tier Program to work as intended, it must be based on achieving actual short-run break-even pricing. The program is designed to provide a safety net for dairy farmers during periods of market volatility, and it relies on real-time cost data to do so.

We recognize that the updated milk handling fee structure better aligns with current market conditions. When the fee was enacted in 2005, fluid milk consumption was around 40%, generating more revenue. Today, consumption has declined to about 25%, significantly reducing its fiscal impact. Raising the thresholds to reflect inflation and current production costs is both reasonable and necessary to restore relevance and fairness to the law.

However, to ensure the continued legal viability of the program, it is essential that the bill's language avoids explicitly linking this fee to the funding of the Tier Program. These amendments are justified and critical to sustaining support for dairy farmers, but care must be taken to preserve the integrity of both the program and the legislative process.

### **Support for Broader Recommendations**

Beyond the core financial adjustments, I strongly support the additional proposals outlined in the bill. They reflect the comprehensive approach needed to sustain and grow Maine's dairy sector:

1. **Expanding participation in the Farms for the Future Program** will help more producers plan for viability and transition toward sustainable, diversified business models.
2. **Investments in technical assistance**—especially through partnerships with land-grant institutions like UVM, Cornell, and UNH—will deliver crucial support in animal health, forage management, and business planning.
3. **Modernizing the Dairy Improvement Fund** to support on-farm processing will add value at the farm level, diversify revenue, and meet growing consumer demand for local dairy.
4. **Targeted tax incentives for commercial dairy processors** will help retain and expand critical milk-buying infrastructure in Maine.
5. **The concept of a non-profit processor** is innovative and deserves further exploration to reduce bottlenecks and expand market access.
6. **On-farm learning programs and peer networks** through the Maine Dairy Industry Association will help train the next generation of dairy producers and improve best-practice

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adoption.

7. Finally, **greater flexibility within existing loan and grant programs** will empower the Department of Agriculture, Conservation and Forestry to respond to evolving industry needs—such as investing in regional grain sourcing or localizing feed supply chains.

This legislation represents a practical, thoughtful roadmap for stabilizing and revitalizing Maine's dairy sector. Without these reforms, more farms will close, taking with them jobs, stewardship of farmland, and a centuries-old way of life.

I urge the committee to advance this bill with strong, bipartisan support. Maine's dairy farms have fed our communities, sustained our rural economies, and preserved our landscape for generations. Let us return that commitment with action that secures their future.

Thank you for your time and consideration.