



Committee On Agriculture, Conservation and Forestry  
Clerk Alex Cote  
Cross Building, Room 214, 287-1312  
c/o Legislative Information Office  
100 State House Station  
Augusta, ME 04333

February 6, 2024

Dear Senator Ingwersen, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation and Forestry,

I am writing on behalf of Stonyfield Organic, an organic yogurt company based in New Hampshire, to comment on LD 2188 - Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission. Stonyfield wishes to express our appreciation for Maine's support of their dairy community through this program, and express our strong support for the continuation of the Tier program.

Stonyfield makes most of the organic yogurt products that we sell nationwide at our headquarters in southern New Hampshire. We got our start over 40 years ago not too far from our current manufacturing facility in Londonderry, New Hampshire, and over the past 4 decades we have retained a strong focus on supporting organic family farmers in this region. While we source a lot more organic milk today than we did 40 years ago, we continue to source that milk from northern New England and the Northeast. A substantial portion of the organic milk produced in Maine comes to us either through our own direct supply program or through the CROPP cooperative.

Maine's Tier program provides critical support for all of Maine's dairy farmers when volatility in the dairy market causes payments to fall below break-even costs. The past couple of years in the organic dairy market provide an excellent illustration of why the steady support of the Tier program is so important for helping producers manage around volatility in the market. In 2021 and 2022, the organic dairy marketing experienced a perfect storm of trade disruptions, international conflicts, and acute drought conditions that collectively created a situation no farmer could have planned for or foreseen. The Russian war in Ukraine and a trade dispute between the US and India created shockwaves in the organic grain market that resulted in extreme increases in feed costs for organic dairy farmers. Drought in the western US further tightened up organic feed supply. These spikes in feed costs were also accompanied by the impact of inflation across other costs of production such as labor, utilities, and other supplies.

At the same time that organic dairy producers were grappling with these increased costs of production, organic dairy processors were dealing with the impacts of inflation both on manufacturing costs and on consumers' decision making in the grocery store. These pressures made it extremely challenging for organic processors to respond to the increasing costs of production experienced by organic dairy farmers, because consumers who were being squeezed by inflation at the grocery store were likely to switch to non-organic options when faced with even higher costs.

As we saw from back-to-back storms this past December, we know producers in Maine are starting to see increased impacts from climate change on their operations as well. These severe storms damaged farm infrastructure, tearing roofs off barns and flooding buildings. We can expect that rising temperatures from climate change will also start to take their toll on dairy production in the state, as an increased number of high-heat days dampens the volume of milk that cows can produce.

In order to be resilient in the face of volatility from both markets and weather, dairy producers need to be financially stable. The Maine Tier program provides dairy producers with a level of insulation against these kinds of volatility, ensuring the long term viability of dairy in the state.

The good news is that we know consumer demand for organic dairy is strong, especially in the Northeast, and that it continues to grow. Dairy farms are a vital part of the fabric of our rural communities in Maine and across northern New England, and it is critical that we provide them with the tools to remain financially sound into the next generation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Britt Lundgren', with a long horizontal flourish extending to the right.

Britt Lundgren

Senior Director of Sustainability and Government Affairs

Stonyfield Organic

Britt Lundgren  
Stonyfield  
LD 2188

Thank you for this opportunity to testify on LD 2188 - Resolve, Regarding  
Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the  
Maine Milk Commission. Please find Stonyfield's testimony in support of the  
continuation of this program attached.