



**Testimony of the Maine Organic Farmers and Gardeners Association
In Support of the Resolve, Regarding Legislative Review of Chapter 26:
Producer Margins, a Major Substantive Rule of the Maine Milk
Commission**

February 7, 2024

Good afternoon, Sen. Ingwersen, Rep. Pluecker and the members of the Agriculture, Conservation, and Forestry Committee. My name is Jacki Martinez Perkins and I am the Organic Dairy and Livestock Specialist with the Maine Organic Farmers and Gardeners Association (MOFGA.) . I grew up the daughter of an organic dairy farmer and a large animal veterinarian, and I am speaking today in support of the Major Substantive Rule Changes proposed by the Maine Milk Commission, and the Milk Tier program broadly.

MOFGA is working to build a food system that is healthy and fair for all of us. Through education, training and advocacy, we are helping farmers thrive, making more local, organic food available and building sustainable communities. MOFGA certifies 52 of the 146 dairy farms in the state, and all together Organic certified farms in Maine represent more than \$120 million in sales. MOFGA is working hard to create opportunities for Maine's next generation of farmers. Each of these farmers is a Maine businessperson for whom economic health and environmental health are interdependent. While MOFGA envisions a future of healthy ecosystems, communities, people and economies sustained by the practices of organic agriculture, we attribute our success to collaboration and outreach to growers across the management spectrum.

The cost of producing milk in Maine has been rising steadily over the past 50 years, while the price that farmers receive for their milk has become increasingly volatile. We continue to lose farms due to this pricing instability: 69 since December of 2019, and 32% in the last 4+ years. Many of Maine's dairy farmers are nearing retirement, and it is unclear how many of them have identified successors due to the difficulty turning a profit in this environment. As land values climb and development pressure mounts, many farmers are facing a difficult choice about the future of their operations and the land base that supports them. Do they continue to pay rising property tax costs, or take the opportunity to cash in and pursue another lifestyle?

The economic impact of the dairy industry is felt throughout the agricultural sector in Maine. Because of the enormous expenses associated with maintaining a herd, from feed costs, milk transport, equipment purchases and repair, and labor, the ripple effects



of losing a farm are felt far and wide. Our dairy farms maintain so many of the services that vegetable and fruit producers rely upon. There is a tipping point at which we will have too few dairy farms left to maintain the community of producers that rely upon them, and the industry as a whole.

When milk prices fall below the cost of production Maine is unique among Northeast states in that it has committed to supporting dairy farmers with cash payments through its Dairy Stabilization Program, or Tier Program. Through this program, dairy farmers only receive payments when the milk prices they are being paid fall below the break-even price points identified in the Milk Commission's cost of production study. When this program is not fully funded, it means that the farmers who stay in production will be losing money on their milk, and will be subsidizing their own production with off farm jobs or savings. The timer will be counting down till they can no longer support the farm.

Local agriculture is vital to the people of Maine, even those not invested in the agricultural industry, due to the resilience it gives us when the supply routes break down as they did during the pandemic, or even during periods of international instability. Also of great significance to the wider public is the open space that dairy farms maintain. When these farms close, hundreds of acres may go out of production, making them vulnerable to the pressures of development. These open acres currently provide extensive opportunities for hunting, snowmobiling, and tourism in Maine.

A stable and healthy dairy sector in Maine's agricultural landscape also is critical for climate resilience. The Maine Climate Council's 2020 climate action plan, *Maine Won't Wait*, underscored the importance of natural and working lands for achieving net-zero emissions by 2045 and storing carbon for decades to come.¹

The Dairy Tier program is the envy of dairy farmers throughout the Northeast and the whole country, and truly is the reason we continue to have a dairy industry in this state. This support has had a demonstrable and significant effect on Maine dairy viability. Continued support for the funding of this program is crucial to protecting the dairy sector and this program. We hope that you will stand with MOFGA and Maine dairy farmers in support of this invaluable program.

Thank you for your consideration of these rule changes.

I would be happy to answer questions if you have any.

¹ Maine Won't Wait: A Four-Year Plan For Climate Action. Maine Climate Council. December 2020. p. 32.