

7 February 2024

131st Maine Legislature's Committee on Agriculture, Conservation and Forestry

LD2188: Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission

Chair Ingwersen, Chair Pluecker and esteemed members of the Agriculture, Conservation and Forestry Committee:

As a dairy farmer, Mainer and mum I wish I were able to speak to you in person with regards to *LD 2188: Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission* and encourage you to support fully the adoption of the most recent Cost of Production Study. On the day of this hearing I am halfway across the country working on behalf of Maine's dairy farmers in a role I take great pride in and am so honored to be entrusted with. In the room full of dairy farmers and stakeholders where I will instead be, Maine's Dairy Stabilization Program is known to be a unique, Maine sized effort that has been documented to be a crucial and impactful way of protecting our food system, our economy, our working lands, and our dairy community.¹

This commitment to Maine's dairy farmers by means of the Maine Dairy Stabilization Program/ Tier Program has been crucial to enabling our farm families to continue to hold up our end of the bargain: to continue to drive our economies and to nourish our communities with local goodness. While many will bemoan the changes to our dairy landscape and often express nostalgia for a time when it felt like everyone was a dairy farmer and everyone lived next door to a dairy farm I would rather focus on the future ahead for the people of Maine and their food system, our dairy farms' working lands and efforts to battle and mitigate climate

¹ Is the Dairy Relief Program Really Working? Evaluating Maine's Tier Payment Program Using a Simulation Approach Xuan Chen 1 , Dylan Bouchard 2,* and Gary Anderson 3, <https://mainedairy.org/wp-content/uploads/2023/11/Evaluating-Maines-Tier-Payment-Program-Using-a-Simulation-Approach-2018.pdf>

crisis, and the economy and communities that our dairy industry drives and anchors.

Despite the reduction of numbers of dairy farms in Maine, our dairy community has continued to support and drive the economy of Maine to the tune of \$1.1 Billion in direct economic impact, \$2 Billion in indirect economic impact (a \$3.06 Billion economic impact), \$835.2 Million in total wages, \$155 Million in State Tax contribution, 5,117 direct jobs, and 9,529 indirect jobs (a total of 14,600 jobs) and a punching above our weight 4.8% share of contribution to Maine's GDP all from around 150ish dairy farms.² And how is that possible? It's all due to the breadth of diversity among size and system of our dairy farms and the families and organizations that own and operate these small businesses and the skilled and dedicated labour that makes it all possible. From milking herds of 8 cows to 2,200, Organic and Conventional, family, non profit, or educational institution owned, located in 15 of our 16 counties the milk that shows up on store shelves, school meal trays, restaurants and family tables throughout our state continues, to an impressive extent, to come from the great state of Maine. We are, we 150ish dairy farms, as I said, punching well above our weight...but we are doing so with effort, energy, and enthusiasm that is battered, beaten down, and burdened by ever rising costs and inflationary pressures that CANNOT be recouped or captured from our pricing system and market, climate challenges that we are simultaneously mitigating and dealing with, as well as an aging farm owner population and process of succession and transition to present participants and new entrants that is hampered and limited by the year after year financial losses we have incurred. All while putting good food from a good place on the tables of our neighbours...and we have been able to continue to do so thanks in great part to the investment of Maine in our farms through the Tier Program.

This investment by the people of Maine in our dairy farms does not linger long in the pocket or bank account of our farmers...it is quickly reinvested in the many, many businesses that are not just crucial to the operation and well being of our farms, but integral to the wider community and economies of Maine and the region. From service providers like veterinarians, feed and farm supplies, equipment and repair, gas stations to convenience stores, and more...Maine's businesses are driven and underwritten by the commerce and economic activity of our dairy farms...it is not trickle down theory, it is a direct flow of palpable and calculable financial exchange and investment that underscores the fact that our dairy farms are both anchors of our communities, engines of our economies, and nourishers of our people.

² Dairy Delivers, IDFA <https://idfa.guerrillaeconomics.net/reports/6969d820-c25c-4aae-8799-fc05dbaaf753?>

As much as we wish to revisit the past we MUST look to the future and to do that we need to rely upon the data and realities of the present, or as near to the present as we have: the 2023 Cost of Production Study. The data clearly shows the burdens and increases of costs that ALL dairy farms in ALL tiers have endured, with no real way of recovering those increased expenses from the marketplace. What is GLARINGLY clear in the Study's data is that after years and years of being assumed and treated as able to deflect the inflationary and volatile pricing without serious consequence the farms producing the largest percentage of milk for the State of Maine are the farms that have decreased in size, have had costs increased the most and who have, for the most part not benefited to the same extent as others tiers. This has resulted in a major weakening and vulnerability in the foundations of our milk value chain here in Maine, and that has caused a cascade of effects felt by service providers, stakeholders, infrastructure, communities, and most importantly the farmers on those farms. The data shows clearly that the wear and tear of inflation and higher costs has severely impacted the ability to plan for the future and support the much needed baseline of economic vigor the dairy industry demands of our higher tiered farms. Without adopting these more accurate and real CoP numbers the Program risks not only the benefits of its investment but the very future of the industry in Maine. We need farms to flourish. We need the next generation, whether they are born on the farm or seek us out to find a foothold and opportunity. We need the tables of Maine heaped with accessible, affordable, and available local goodness. And we need the Tier Program to hold up its end of the bargain so that we dairy farmers can hold up our end. So that everybody wins. I appreciate your time and attention, and your work as citizen legislators. And I may just be the voice of one farm, but I want you to know that I am one voice on a farm of three generations, multiple households, a dozen + family members working with more than 3 dozen co workers, caring for thousands of cows, stewarding thousands of acres of land, feeding tens of thousands of families each day with the 17,000 gallons of milk produced daily imploring you to believe in the future as much as we do. We know our dairy farms can sustain Maine as we move forward, we know our next generation is vested and here for the long haul, and we know that we are already making a difference in the battle against climate crisis. And I think you know it too. We can only continue to do this with the continued investment and support of the Maine Dairy Stabilization Program and the updated Cost of Production data.

As always, if you have any questions or would like more information about the work we do, the future we plan for or even if you want to visit a cow please do not

hesitate to reach out. Thank you again for your time and service, and I hope your strong support of LD 2188.

Respectfully,

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