

Maine Dairy Task Force Public Comments

November 22, 2024

1. Heidi Bray, Pumpkin Vine Family Farm, Somerville
2. Betsy Bullard, Brigeen Farms, Inc., Turner
3. Representative William D. Pluecker, Warren
4. Richard and Beth Johnson, Johnson Farm, Inc., Kittery
5. Jason Schoppee, Founder & Former Owner, Schoppee's Dairy, LLC, Machias
6. Heather Spalding, Deputy Director and Policy Director. MOFGA
7. Bill Eldridge, Maine Dairy Task Force

1.

Hello, The Maine Dairy Task Force's draft recommendations mark a pivotal moment for the state's dairy sector, inviting public input to shape a sustainable and resilient future. As the Task Force seeks to bolster this critical industry, it's essential to consider innovative strategies that address evolving market demands and environmental challenges. One key aspect that must not be overlooked is the rising prominence of goat dairy farms.

It's crucial that Maine's dairy sector embraces the integration of goat dairy farms into its strategic planning and investments. Goat dairy farms are rapidly emerging as a significant economic driver, offering diversification that enhances the sustainability and resilience of the industry. These farms not only cater to a growing consumer demand for goat milk products—which are prized for their unique health benefits and rich flavors—but also contribute to local economies by supporting small-scale farmers and creating jobs. Furthermore, goats are known for their efficient grazing habits, which can help maintain the health of Maine's pastures and contribute to sustainable land use practices. By including goat dairy farms in its recommendations, the Maine Dairy Task Force can ensure a more robust and adaptable dairy sector that meets the evolving needs of both producers and consumers.

Thank you, Heidi Bray

2.

Good Afternoon, I am writing to provide feedback on the Draft recommendations of the Dairy Task Force. My family and I operate Brigeen Farms, Inc., a tenth-generation dairy farm located in Turner.

First, many thanks to the dedicated group that convened and considered the complex issues facing Maine's dairy industry. We would concur that the Tier price support program has been a tremendous investment in Maine's dairy industry, and well designed to provide support.

Transportation and logistics underpin many of the unique costs and challenges that Maine businesses, not exclusive to dairy, experience. Further consideration and problem-solving around how to reduce these extraordinary costs for Maine's dairy farmers would be most

beneficial. Shared hubs and coordination of efforts and product movement stand to offer cost structures more in line with farm businesses in other geographic regions, and improve long-term stability.

To ensure businesses' long-term viability, dedicated funding pools should be tied to set parameters, i.e., the utilization of some technical resources provided through the existing or enhanced technical support network dedicated to dairy and business success strategies.

Thank you for your consideration. Betsy Bullard, Brigeen Farms, Inc., www.brigeenfarms.com, (207)713-5145

3.

To the members of the Dairy Task Force:

Thank you for the conscientious effort you have put into researching and deliberating the ways our state government can best support our dairy industry and farmers. I believe your report will be a tremendous help to the work of the Agriculture, Conservation, and Forestry Committee (ACF) in the coming months. I applaud your emphasis on legislative support for the Dairy Tier program while simultaneously highlighting the several other grant programs that can be improved upon to be more effective in supporting our farmers.

As always, the best laid plans and reports often hinge on finding the proper funding to follow through on recommendations. As I have mentioned in meetings during the public comment period, I continue to be a strong advocate of the idea of issuing a bond to support the grant programs that the Task Force has outlined as requiring financial support, and I appreciate the Task Force including this tactic in the report.

When looking at funding for the Tier Program, I am not a strong proponent of attempting to increase “sin taxes” to support farmers. In most cases, the people paying these taxes do not have a direct relationship to our agricultural industry except in that all consumers of dairy benefit from the work of dairy farmers. I believe it pits Maine industries against one another, whether it be cannabis farmers/sellers or convenience stores. The cascade of funds that flow from the casinos is a tightly negotiated, complicated formula, that once opened, I do not believe will provide a reliable source of support for dairies.

In one of the Task Force meetings, a mention was made about the real estate transfer tax as a potential source of revenue. There have been efforts through the years to look at this tax as a source of support for different programs in Maine. If a tax were proposed that targeted more expensive homes, for instance valued over one million dollars, so as to not increase the cost of home ownership for new homebuyers, a substantial amount of money could be raised. For instance, if the current real estate transfer tax were increased from 2.2% to 2.7% on sales of over one million dollars (increasing the cost of a million dollar home by \$5,000,) approximately \$2.5 million could be raised annually. The loss of land due to the construction of high end homes squeezes our dairy farmers' access to land, as well as dramatically increasing the appraised value of farmland which increases property taxes on farmers and their families, making long term

financial sustainability for our farms much more difficult. I would encourage the Task Force to take this potential source of revenue into account in their final deliberations.

My final request is that you make your recommendations around any statutory language amendments pertaining to the grant programs (AMLF, DIF, & AFFIF) as specific as possible, so that when the ACF Committee takes up these recommendations in the coming session, we are able to start from as clear a place as to your intent as possible. It will make our work more effective and hopefully responsive to the needs of our farmers.

Once again, thank you for all the work you have put into this process for dairy farmers and the entire state of Maine.

Representative William D. Pluecker

4.

Hello, This is Johnson Farm Inc. in Kittery, Me. Richard and Beth Johnson. Our Dairy farm was established in 1947 by Richard's parents. Was a successful Dairy/ Corp with 3 families working it in 1982. Over time parents died, brother left taking half the herd and everything else bought out from us. It got down to Richard and myself trying to keep it going with various help and 1 son that came back. Currently, we are in the process of transitioning the farm to other family members who want to rehab and keep the Dairy going. We need ALL the support we can get to help this happen. Maine needs Dairy and has been instrumental with providing the Tier Program and other grants and helps. We would have been done along time ago but my husband has done this all his life and wants to be able to pass it on. It has to be viable and healthy and able to be successful.

5.

Dear Task Force Members, I am writing to express my enthusiastic support for the draft recommendations presented regarding potential investments and policies to support the long-term sustainability and resiliency of the State's dairy sector. Having carefully reviewed the proposal, I believe many of the recommendations will effectively address the key issues facing Maine's dairy farming industry.

As a 30-year veteran of the dairy transport and processing industry, former Private Transport Contractor at MOO Milk, and a member of a family that spent decades operating an on-farm dairy, I specifically commend the recommendations to support mechanisms which expand on-farm dairy processing capacity, help retain existing in-state off-farm processing capacity, and create new off-farm processing capacity.

The draft recommendations regarding the expansion of on-farm and stand-alone dairy Processing capacity are well-defined and include clear steps for implementation, which enhances the likelihood of successful execution. I am confident that implementing these recommendations will significantly benefit both Maine's dairy producers and consumers.

Please do not hesitate to contact me if you require any further information or clarification regarding my support for the draft recommendations.

Sincerely, Jason Schoppee, Founder & Former Owner, Schoppee's Dairy, LLC

6.

Dear Special Assistant Saffair:

On behalf of the Maine Organic Farmers and Gardeners Association (MOFGA), I'm writing to express support and appreciation for the work of the Maine Dairy Task Force. Thank you very much for the opportunity to share our comments on the six-month effort.

We would like to amplify the Task Force's findings of the importance of organic within the larger dairy industry in Maine. The draft report states: "For example, organic producers account for over one-third of Maine's dairy farms; due to issues of scale, these farms currently have no viable in-state processing option for their organic fluid milk." Access processing is of integral importance to the entire dairy industry, but while a third of the industry is certified organic, the lack of in-state organic processing holds back the entire industry, as well as its support for agriculture in Maine.

The report also rightly highlights the lack of diversity of organic grain suppliers in the state, noting "For example, currently, all Maine organic dairy farmers are dependent on one grain supplier based in Vermont. While these farmers are not currently in jeopardy of losing this supplier, there is concern that if Maine were to lose a critical mass of organic farms, it would no longer be viable for the grain supplier to service Maine, leaving remaining organic dairy farms without a source of feed. Organic dairy farmers have been struggling with high grain costs for years. This has led many farms to cut back on the amount of grain fed to their herds, resulting in reduced milk production and income and a downward financial sustainability. Supporting other sourcing of grain creative storage and bulk buying options, particularly organic grain, are potential ways to address this problem." The increasing cost of grain drives costs for the entire industry, but the enormous cost of organic grain is the primary way that the cost of production of organic milk is so much more than conventional milk. The current structure of the Dairy Tier program means that the program does not pay organic dairy farmers unless the cost of production of conventional milk falls below the price of conventional milk. This puts a greater burden on organic producers, because Dairy Tier payments are not tied to their own cost of production or prices. This strain is only enhanced by the lack of diverse grain suppliers. Once again, the relatively delicate position of organic producers has an outsized influence on the entire industry because it makes up one third of producers Maine.

MOFGA applauds the Task Force for highlighting the great impact that the Dairy Tier Program has had on supporting our dairy farmers in Maine. It is truly a one in a kind program that deserves to be fully funded by the Legislature. Finding a funding mechanism to support that program is a difficult challenge, and MOFGA appreciates unconventional thinking the Task Force has done on that issue. While it is unlikely that increasing the tax on either cannabis or tobacco products will find the necessary support within the Legislature, it is important that the Task Force and Legislature look at all possible options.

MOFGA is in strong support of the concept of a bond that could raise funds to support agriculture in Maine broadly and the dairy industry, specifically. The Task Force's analysis of the various grant programs that are already fulfilling their intended purposes, but in need of further funding, is strong. MOFGA supports the idea of targeting any potential bond revenue into these investments. Thank you again for your work and commitment to addressing the serious challenges facing the future of dairy in Maine agriculture.

We look forward to working with you on implementing innovative solutions.

Respectfully, Heather Spalding MOFGA Deputy Director and Policy Director

7.

Bill Eldridge: About the Draft Recommendations, I do not have anything to add to the individual write-ups, but am concerned about the order and emphasis.

I agree starting with the easy focus on the Tier program as it is both easily politically and easily understood, but it does not solve the problem of the loss of Dairy farms or any farms. The Tier program provides a limited support to staying in business. It cannot overcome the disadvantage of competing in the National Milk Market. The offered methods of funding are straightforward and, if I were in the Legislature, I would focus on the tobacco tax which has the least local public support. It is small, but it is declining. From the farms' perspective, this would automatically decrease the available funds over time - not good. Both Marijuana and gambling have vocal lobbying interests which could doom any results.

I believe the second and probably more important recommendations are a combination of #5 (processing) and #11(Farm Transfers) and the underlying funding needed to support both.

#4, 6, 8, 9, & 10 are important as support for in most cases dairy and all agriculture.

#12 is unique to the organic dairy industry and may end up being the single most critical component of the loss of organic dairy farms which represent a third of the dairy farms in terms of numbers.

#13 (a bond) is probably not the right vehicle for three reasons:

- A bond is issued in the expectation of repayment.
- Interest is set by the National Market with the advantage of being set by the borrowing power of the State.
- If super low interest is necessary to make loans attractive while minimizing the cost of default, then the chances of making loans at less than the cost of repaying those loans guarantees default on either the bond or the need for the State to cover the losses through the budgeting process. To overcome the existing restriction of either the amount of funds available for year or the amount of an individual loan for a specific project means greater risks of default.

Grouping the necessary and important soft annual operating budget expenses for the department is not appropriate. A bond is a one-time shot. Needed for funding is something that does not impact the existing budget considerations by the Legislature and which is on-going annually.

Finally, the amount of funds needed to truly make a difference in the overall ag sector is not something that the Legislature would want to tackle.

All of these considerations and the chance of a missed opportunity to change the growth of the ag sector to being a truly rural development program have led me to look at the sales tax of food products for the overall benefit of the State, its citizens, and the farming industry in Maine which will always be small farms - a strategic advantage is managed.

Bill Eldridge