



Testimony on Lost Valley Dairy
Senate Committee on Environment and Natural Resources
May 21, 2018

Chair Dembrow, Members of the Committee:

Friends of Family Farmers is a non-profit organization that represents independent, small and mid-sized family farmers and ranchers across Oregon. We appreciate the opportunity to testify today and for the Committee's attention to the problematic issues associated with the Lost Valley Dairy.

Today's hearing is focused on a situation that has revealed significant failures in Oregon's permitting and oversight of extremely large concentrated animal feeding operations, and mega-dairies specifically. It is our hope that in the wake of these failures, new reforms will be enacted to ensure that what went wrong with Lost Valley cannot happen again the next time another operation of this scale seeks to move to or expand in our state.

Among the numerous failures by state agencies responsible for approving the facility:

- No penalties were issued after construction of the facility began improperly months before the CAFO permit was approved
- Questions were ignored about pressure to tap restricted groundwater for dairy operations as agency staff focused on meeting arbitrary deadlines to approve the CAFO permit
- The CAFO permit was approved and thousands of cows were allowed on site before water rights were secured, before manure containment infrastructure was finished, and before a final Animal Waste Management Plan was approved
- The DEQ and ODA promoted the 'economic benefits' of the facility in the absence of an economic analysis or consideration of the economic crisis facing many family dairy farms in Oregon
- The agencies allowed an ongoing series of violations at the facility to become 'severe' before taking significant action.

These failures and the speed with which one the nation's largest and most controversial mega-dairies was taken to court for failing to address severe pollution violations by the same state agencies that allowed it to operate is unprecedented.

You may hear testimony today that suggests Lost Valley is merely a bad actor or an industry outlier. This sentiment would be a distraction from the real issue at hand - the State of Oregon clearly failed throughout the process of permitting this facility and in the implementation of its CAFO program. Unless significant reforms are made to how operations of this scale are permitted and regulated, the state agencies responsible could easily make the same mistakes again next time.

We have reviewed nearly a year's worth of public records from the permitting process and it is clear the agencies missed numerous opportunities to prevent the types of problems we have seen at Lost Valley. Further, we have found no evidence that state agencies gave any consideration to actually denying the facility a permit despite numerous warning signs. Instead, agency staff seemed focused

on meeting deadlines to help the owner of the facility ‘appease his banker,’ as one DEQ manager wrote in an email to the Governor’s Natural Resources Policy staff and senior DEQ and ODA leadership in the days before the permit was granted.

The agencies not only overlooked numerous warning signs about this facility, including instances of the operator ignoring the law before the CAFO permit was granted, they gave the facility a permit despite lacking a long-term supply of water to operate. The same agencies promoted the operation and their decision to grant the permit as an economic boon, despite the financial instability of the operator, and the economic pressure a new facility of this scale would likely put on family dairy farms at a time of economic crisis in the industry.

There is currently no formal definition for what size operation constitutes a ‘mega-dairy’ but in our use of the term, we are referring to operations that are orders of magnitude larger than the average dairy farm in Oregon. Federal and state rules already define dairies with over 700 milking cows as ‘large’ but across the nation we are seeing new operations that are at least ten times that size, with some significantly larger. Because of their size, the largest mega-dairies produce manure, urine and wastewater on the scale of some of Oregon’s larger cities, but without the same types of sewage treatment infrastructure. They require tremendous amounts of water to operate, and pose significant risks to water quality, water quantity, air quality and the climate. In addition, mega-dairies are making it increasingly difficult for dairy farms that are smaller in size to be economically viable and stay in business.

Mega-dairies should be regulated differently than other dairies, and the agency failures associated with Lost Valley underscore that new rules and approaches are needed for operations of this extremely large scale.

Friends of Family Farmers counts Oregon dairy farmers among our membership, and we have seen family run dairy farms in Oregon that are among the best environmental stewards in the state, grazing animals on pasture, protecting soil and water, and caring for the land while producing the highest quality dairy products. We are firm believers that well managed grazing and pasture management is part of the solution to a number of environmental challenges, including climate change.

The state agencies involved in the Lost Valley incident and those responsible for the numerous missteps that took place throughout the process need to be held accountable. We would also strongly urge the Legislature to enact reforms to make sure that what went wrong at Lost Valley cannot happen again.

Thank you for your consideration.

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