

Rickreall Dairy LLC
8845 Rickreall Rd.
Rickreall, OR 97371
Louie Kazemier, Owner
503-871-7279 cell

February 7, 2018

Re: HB 4001 and SB 1507

To: Legislatures and Representatives on committee

My name is Louie Kazemier. I am the owner of Rickreall Dairy. I have been dairying at this address for 28 years. I have seen price volatilities in our products over the years, and the year 2018 looks like it may be one of the toughest years in history for the dairy farmers of Oregon and the nation. *In the first months of 2018 I am projecting to lose between \$80,000.00 and \$120,000.00 per month.* It doesn't take a degree in accounting to know that we cannot last long with these losses. If the price stays below \$16.25 CWT (per hundred weight) I will continue to lose capital, and the price is projected to go down as low as \$13.25 CWT for the first six to eight months of 2018.

I have 25 families employed at Rickreall Dairy. They all deserve to make a good decent living and receive a fair wage...in fact you have raised the minimum wage which in turn raises wages for all. Most of my employees have been with me for 15-25 years. I want to pay them as much as I can...but with these losses I can't afford to raise their wage. Currently the average wage \$18.50 per hour...and it needs to go to \$20-\$22 in order to stay competitive with area employers.

In the year 2017 I spent \$387,716 on fuel and direct hauling of feed for the dairy. This doesn't include transportation costs paid within the train loads of grain that comes to us by way of the railroad system. *With the proposed bill, and with the calculated increase of \$.16 per gallon of fuel, my cost will increase in this one expense by \$20,678.00 in 2018.*

Through the years I have been the recipient of Energy Trust grants and other programs that helped us become more efficient in our energy costs. I did all this willingly...because it helps my bottom line. And everyone who uses electricity has helped pay into the program..which in turn helped us out. In 2017 I received about \$15,000.00 from the Energy Trust of Oregon to help offset a \$130,000.00 improvement in our cooling equipment. These programs work!

Back in 2005-2010 I tried desperately to get Methane Digester built at Rickreall Dairy. The only requirement I had is that it needed to pay for itself in energy saving costs or sales...the dairy could not afford to offset any losses. I was not able to get it done, thankfully. Around Oregon most digesters have been shut down because the subsidies that made them profitable to investors went away with the stroke of a pen. Even the Port of Tillamook had to shut their digester down because of loses. The program didn't work and subsidies didn't work.

I have since partnered with a company, Nutrient Control Systems, to produce a "cow fiber" type of fertilizer. This is a standalone business with investors that have a viable market for what we produce. The sales are enough to cover expenses, with NO subsidies from any government agency. *I did it because it was good business, not because it is forced by legislation.* And I believe most dairy farmers would make the same decision.

Finally, I feel this important and sweeping legislation deserves more time than this short session give it. Let's not just copy California and pass these bills. Let's take time and study their model to see if it truly works. I have many friends in the dairy business in California and they are having a harder time in business than we are in Oregon. I am a proud Dairy Farmer in Oregon and would like to preserve the opportunity for my son to take over the business for another generation. Please help me make that possible.

Respectfully submitted,

Louie Kazemier