



March 21, 2019

**Senate Committee on Environment and Natural Resources
900 Court St. NE
Salem Oregon 97301**

Dear Senator Dembrow and Members of the Committee:

Farm Aid would like to thank the Oregon legislature for taking up the issue of mega dairies in the state of Oregon, and for receiving these written comments regarding SB 103 and the larger issue of mega dairies and their impact on family farm agriculture. Farm Aid approaches this issue with a unique perspective and a long history.

Farm Aid's mission is to build a vibrant, family farm-centered system of agriculture in America. Willie Nelson, Neil Young and John Mellencamp organized the first Farm Aid concert in 1985 to raise awareness about the loss of family farms and to raise funds to keep farm families on the land. Dave Matthews joined the Farm Aid Board of Directors in 2001. Farm Aid has raised more than \$53 million to promote a strong and resilient family farm system of agriculture.

Farm Aid also operates the only national farmer hotline, 1-800-FARM-AID, putting us in direct contact with farmers and ranchers across the country and working to connect them to the resources they need to thrive. Oregon's SB 103 is being debated during a severe financial crisis hitting farmers and ranchers across the country. In 2018, the hotline experienced a 109% increase in calls from farmers and ranchers (including farmers in Oregon), the majority of them exhibiting severe distress and experiencing financial crisis. The greater community of hotlines and farm crisis counselors we work with has validated that our experience is not unique – the pain in the countryside is pervasive and ongoing. Today's reality is sadly reminiscent of the time we started as an organization, in the midst of the 1980s farm crisis. So far in 2019, the volume and severity of calls we are receiving is not relenting.

Overwhelmingly, the most dire and intractable challenges we see show up in cases involving dairy farmers. In 2018, dairy farmers represented almost one-fifth of all hotline calls. A consistent, severe slump in milk prices in recent years--fueled by overproduction and a broken milk pricing system--has pushed many dairy farms beyond the point of survival. Over our hotline, we hear from dairy farmers who lose thousands to tens of thousands of dollars each time they milk their cows, who are unable to cash flow, and who are on the brink of foreclosure. What's more, they are struggling to feed their animals and struggling to put food on the table for their families. They are stressed, overwhelmed, and, not infrequently, considering suicide. In far too many circumstances, a new or emerging mega dairy is being built nearby, as existing farmers experience their contracts being dropped by processors.

Our recent experience is that this is a part of a longer-lasting trend in dairy and throughout agriculture, as state and federal policies have green-lighted the development of mega dairies that house several thousand or even tens of thousands of cows. The resulting overproduction of milk has slashed prices and flushed out small- and mid-sized dairies across the country. As of November 2018, the average dairy farmer received just \$1.46 for a gallon of skim milk that retails for \$4.59, with average farm-gate milk prices falling 30 percent below the cost of production.

Since 1970, the number of American dairy farms has dropped by more than 93 percent, from more than 640,000 to around 40,000 today. In the last year, there's been a 3 percent drop in the number of dairy farms, with the future of those remaining increasingly uncertain. These are not just hypothetical numbers on a piece of paper; our position is that America cannot afford to lose a single additional dairy farm.

As dairy farmers are forced into bankruptcy, a ripple effect on the local services that farmers use--such as banks, equipment dealers, seed and feed suppliers--further erodes rural economies. The loss of family dairy farms depopulates rural areas with a detrimental effect on rural culture and communities. In regions like New England and the Upper Midwest, where multigenerational dairy farms have shaped the landscape and undergirded the regional economy, the shuttering of barn doors is sparking severe social and mental health crises and straining rural communities.

These trends are not inevitable; they are the result of policy, and policy can be changed. If Oregon paves the way for mega dairies, its rural communities can expect similar hardship as mega dairy construction will compound the overproduction problem for farmers nearby and send ripple effects to independent family dairies across the country. That's why we support a moratorium on the establishment of mega dairies in Oregon, and throughout the United States.

We should be doing everything in our power to ensure the longevity and viability of family dairy farms in our country, instead of concentrating the milk market into the hands of a small group of mega dairies and a few dairy processors. A moratorium on new mega dairies is a step in the right direction, especially during this time of extreme crisis in American agriculture.

Thank you for your consideration.

Sincerely,

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