



MAINE FARMLAND TRUST

**Testimony of Ellen Stern Griswold, Policy and Research Director, Maine Farmland Trust, to the 130th Legislature's Joint Standing Committee on Agriculture, Conservation and Forestry
January 11, 2022**

Good morning Senator Dill, Representative O'Neil, and members of the Joint Standing Committee on Agriculture, Conservation, and Forestry. My name is Ellen Stern Griswold, and I am the Policy and Research Director at Maine Farmland Trust (MFT). I am submitting this testimony on behalf MFT in support of LD 1805 – *Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission*.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Since our founding in 1999, MFT has helped to permanently protect nearly 300 farms and keep over 60,000 acres of farmland in farming, while supporting over 800 farm families with a range of services. Our four main program areas are Farmland Protection, Farmland Access, Farm Viability in the form of business planning and technical assistance to help farmers become and remain economically viable, and Public Outreach and Policy to grow the future of farming in Maine.

MFT believes that to support Maine's rural economic development, farms must be economically viable. Over the years, MFT has collaborated with farmers, food businesses, and economic development organizations to establish enterprises and deliver a range of programs and services focused on establishing a vibrant and resilient agricultural sector and food system in Maine. We work directly with farmers of all experience levels as they develop markets and grow successful businesses. MFT's support services and programs for farmers include individualized farm business planning, and workshops and technical assistance that are designed to help farmers develop their businesses strategically and scale up their wholesale operations to obtain more market resilience and economic stability. We also support the expansion of new markets that connect more Mainers with Maine-grown food.

In 2020, MFT published its Dairy Sector Report¹ – a report that both analyzes the challenges and opportunities facing the dairy sector in Maine and identifies policy and market interventions that could help to stabilize the Maine dairy sector and enhance its future viability. One of the critical policy recommendations included within the report is continued support and investment in Maine's Dairy Stabilization Program, or the Tier Program. This recommendation is based on the fact that the Tier Program has had a demonstrable and important effect on Maine dairy viability according to the data

¹ Maine Farmland Trust, *Dairy Sector Report* (Jan. 2020), available at <https://www.maineFarmlandtrust.org/policy-research/>. MFT provided a presentation about the Report to the 129th Maine Legislature's Joint Committee on Agriculture, Conservation and Forestry in conjunction with Rick Kersbergen, Extension Professor of Sustainable Dairy and Forage Systems at the University of Maine Cooperative Extension; Julie-Marie Bickford, formerly Executive Director of the Maine Dairy Industry Association and currently Executive Director of the Maine Milk Commission; and Annie Watson, President of the Maine Organic Milk Producers and Owner of Sheepsfoot Valley Farm.

and the experts we interviewed.² By offering economic relief to dairy farmers in times of low milk prices, the Tier Program provides one of the most important economic support tools for the dairy sector in Maine. During the last ten to fifteen years, there has been significant volatility in the average price received by farmers for liquid milk, with prices following cyclical periods of boom and bust.³ This volatility has made it extremely difficult for Maine dairy farmers to achieve economic stability. The Tier Program provides an important safety net to dairy farmers in Maine during periods of volatility, allowing more dairy farms to stay in business than would have otherwise been possible without the Program.⁴

Ensuring the economic viability of dairy farms in Maine is important for Maine's entire agricultural sector and for rural communities across the state. Dairy farms are often described as "anchor farms" because they provide the necessary threshold of business for veterinarians, feed suppliers, and machine suppliers to set up shop in the towns containing these farms. In doing so, these dairy farms contribute to the success of all different kinds of farms across the state and to the economic vitality of the sector. Given that agriculture is a key component of Maine's economy, contributing over \$3.6 billion in economic impact and supporting over 27,000 jobs statewide,⁵ providing a safety net to dairy farms is an important step towards solidifying a critical segment of Maine's economy.

The Tier Program operates by providing a payment directly to farmers when the amount that they receive from the marketplace for their milk falls below their cost of production.⁶ As such, for the Program to be an effective economic support tool, it must be informed by the most up-to-date cost of production numbers. For all of these reasons, we strongly support the adoption of the most recent cost of production numbers from the Maine Milk Commission for the Maine Dairy Stabilization Program.

² *Id.* at 3, 20-21.

³ National Agricultural Statistics Service (NASS), *Annual Survey Data, Maine, Milk Price Received – Measured in \$/CWT*, <https://quickstats.nass.usda.gov/results/973CA531-4F37-30C4-8C92-B5E76C6E97BE> (last visited Feb. 5, 2019).

⁴ Richard Kersbergen et al, *Cost of Producing Milk in Maine: Results from the 2010 Dairy Cost-of-Production Study*, University of Maine, 1 (Jan. 2013), available at <https://www1.maine.gov/dacf/milkcommission/documents/b853.pdf>.

⁵ Farm Credit East, "Northeast Economic Engine: Agriculture, Forest Products and Commercial Fishing," (2020), , available at: <https://www.farmcrediteast.com/knowledge-exchange/Reports/2020%20Northeast%20Economic%20Engine>.

⁶ Tim Drake, *Maine's Dairy Relief Program*, 20 Maine Policy Review 77 (2011), available at <https://digitalcommons.library.umaine.edu/mpr/vol20/iss1/14>.