



Oregon Dairy Farmers Association
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SB 876 TESTIMONY

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

SENATOR MICHAEL DEMBROW, CHAIR

March 21, 2019

Entered into the Record by
Tami Kerr, Executive Director
Oregon Dairy Farmers Association

Chair Dembrow and Committee members, my name is Tami Kerr and I am the Executive Director for the Oregon Dairy Farmers Association, I offer the following testimony on behalf of the 200+ dairy producers of Oregon. These multi-generational conventional and organic Grade A farm families are proud of the care they provide to their animals, are proud of the high quality milk they produce every day, and they are proud of their care of the environment.

In 2017, the fluid milk produced on Oregon's dairy farms resulted in an economic contribution of more than \$500 million dollars in "farm gate value" prior to processing. Milk is the 4th most valuable agricultural commodity. The number of Oregon Dairies is directly related to the ability of each farm to withstand the volatility in the price of milk against the cost of feed, labor, and the ever-changing regulatory burden from the state and federal levels.

We appreciate Senator Dembrow's efforts to work collaboratively with a diverse group representing a variety of interests. We all want to prevent another bad actor that does not follow the regulations from being able to farm in Oregon. My family are dairy producers, I take this very personally. The actions of the previous Lost Valley Manager do not represent the Oregon dairy farmers I know and the actions of one individual should not result in additional scrutiny for producers that have a longstanding track record of complying with regulations in existence for 25 years.

Also for the record, there have been statements about the number of dairy farms that have closed in the last 20 years. When we discuss the number of dairy farms in Oregon, we use the number of farms that have Grade A licenses from the Oregon Department of Agriculture. In 1998, there were

326 Grade A dairy farms. In 2018, there were 210 Grade A dairy farms. Oregon lost 116 farms in the last 20 years, that averages 5.8 farms per year. In the early 1990's, there were 500 dairy farms in the state. With the implementation of the CAFO program, the closure of Grade B dairy farms and other factors, many producers decided they either couldn't make the required investment or chose not to and closed.

The dairy industry is one of the most heavily regulated agricultural sectors and the State of Oregon requires additional reporting and compliance with the CAFO program. I have with me a copy of a CAFO Nutrient Management Application from a producer in 2016. It is 198 pages in length.

ODFA opposes SB 876 and the dash one amendment. Current CAFO practices already require Large CAFO's to submit a new management plan and they go out for public notice. There is no need to duplicate what has been an accepted practice. The dash one amendment seeks to amend existing water law and is a subject that will require a great deal of scrutiny prior to modifying existing law. We have not fully vetted the dash one amendment and what the unintended consequences might be if passed.

The insurance provisions are both unworkable and currently unavailable to producers of all sizes.

A diagram we submitted outlines the number of State and Federal Regulations our producers operate under. These regulations come with a cost and for the record let me reiterate, the cost of compliance is expensive and time consuming. Our producers don't need additional regulations. Our producers are also required to comply with the PMO, the Pasteurized Milk Ordinance and have state and federal inspections along with inspections from their processor.

More than 98% of the U.S. milk supply comes from participating farms in the FARM Animal Care Program. FARM stands for Farmers Assuring Responsible Management. Through the four program silos – Animal Care, Environmental Stewardship, Antibiotic Stewardship and Workforce Development – FARM works with dairy farmers, cooperatives, processors and industry partners to show customers and consumers that the dairy industry holds itself to the highest standards.

The Animal Care Program is the cornerstone FARM Program in which all producers are required to participate. It includes a FARM Animal Care Reference manual with best practices that farmers must follow for every cow and calf on the farm, on-farm assessments by trained evaluators and

third-party verification by a qualified third-party entity who evaluates farms each year to ensure the integrity of the program.

This is the tip of the iceberg for producers and the regulations and standards they are held to. The failed management of Lost Valley is the failure of one person as opposed to the failure of the regulations and the regulators. We would submit for the record, the failure was a test of the existing regulators and they passed. The facility is in the process of being decommissioned. The regulators have all of the tools necessary to demand compliance with existing regulations.

Thank you for your time, do you have any questions.