



Oregon Dairy Farmers Association
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SB 536 TESTIMONY

SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES

SENATOR MICHAEL DEMBROW, CHAIR

February 14, 2019

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

As the Executive Director for the Oregon Dairy Farmers Association, I offer the following for the record on behalf of the 200+ dairy producers of Oregon. These multi-generational organic and conventional Grade A farm families deliver the highest quality milk to the market everyday **under strict state and federal regulations**. The fluid milk they produce is processed into the myriad dairy foods consumers enjoy in the form of ice cream, yogurt, cheese, and pasteurized milk.

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. 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, taxes, equipment and the ever-changing regulatory burden from the state and federal levels. Today's market price for Class 3 fluid milk is just under \$14.00 for 100 pounds of milk. It is important to note, this low price has remained for the past four years. The average cost to produce 100 lbs of milk ranges between \$16.00 - \$18.00. The majority of Oregon's Dairy Producers are subsidizing milk shipments leaving their farms. Milk is unlike other commodities that can be harvested and stored on farm until the market signals to sell. It must be moved as produced and sent to the respective processor.

The Oregon Dairy Farmers Association is pleased to offer an absolute and enthusiastic vote of support for the passage of SB 536. This piece of Legislation will create a positive conversation amongst our constituents who have interest in developing a niche market with the fluid milk produced by their cows on their farm. This is the ray of sunshine our producers need in times of excessive depressed prices. The Oregon Dairy Farmers Association appreciates Senator Hansell and his willingness to bring a proactive. Thank you for your time and attention and for allowing the time necessary to work on this important matter.