

September 13, 2022

Dear Mr. Marlow:

The organic dairies in the northeast need emergency aid due to the catastrophic conditions caused by dramatic and unprecedented increase in input costs, which has been aggravated by regional drought. We share many of the same problems that organic dairies in California and the west are experiencing. Small to mid-size organic dairies across the country are facing large losses and many facing the prospect of going out of business; some already have.

As a coalition of working organic dairies and supporters in the northeast, we want to work with you to help avoid a devastating loss of organic dairy farms and the reduction of organic cow numbers throughout the US in 2022 and 2023. Organic dairies need targeted assistance from the government in the form of emergency payments. Pay price is still at least \$4.00 lower than costs of production in 2021. Dairy processors have made very small increases in milk payments to farms. However, given the scale of the feed price surge, the increases have not been sufficient to help sustain the farms in crisis. Utilizing 17 years of cost of production data, plus records on cost of organic inputs, pay price and retail prices since 2008, we have developed the following data about the situation:

- Organic soybean meal has hit \$1,900/ton delivered to the farm, double what it was 18 months ago. Organic corn is the highest it has been since 2015 at \$11.00 per bushel FOB the farm. Organic corn delivered to the farm is near \$15/ bushel, up 30% from 18 months ago. Future prices show little change.
- Forages and alternative sources of protein are competing with the demand from the conventional market. Organic processing, for example, malting barley for beer, is also competing for product in short supply and driving prices higher.
- The quality and quantity of organic hay is low and the price is high.
- According to a comparison survey completed by NOFA VT of the first 5 months of 2022, fuel expenses have increased by up to 75% in 2022, over 2021, with an average diesel price still double what it was in 2020. The same survey showed milk sales are down, and there was a 50% drop in net farm income, perhaps because there has not been any Dairy Margin Coverage Program (DMCP) money in 2022, but also because of variable pastures and less grain being feed as a cost-saving measure.
- Auctioneers have reported higher organic dairy farm sales and increased culling of organic cows.
- Producers are anticipating heavy culling to get through the winter, some up to 25% of their herd.
- Multiple dairy producers, who are not near retirement age and have a long history in organic, have developed exit plans rather than run down what is left of their equity.
- Some dairies are looking to diversify their operations, perhaps moving into growing crops for cash sale, but that transition takes time and infrastructure.

As you know, unlike conventional dairy, organic dairy does not have any existing federal safety net or margin protection programs to assist when the costs of inputs increase and pay price is below production expense. The reliance on the conventional program, DMCP, worked to assist organic dairies in 2021, as did the COVID payments. With those price supports gone, producers are facing dire circumstances and require assistance. The organic dairy industry is an important economic engine in the northeast and

organic dairies serve as anchor businesses to many local rural economies. Organic agriculture is also a climate-smart system of agriculture worthy of federal investment and support.

In the absence of any established program, we are asking for a short-term targeted solution using federal funds to offset the increase in inputs. For more information or any other communications please contact Ed Maltby, 413-427-7323 and [emaltby@comcast.net](mailto:emaltby@comcast.net)

Thank you,

Northeast Organic Dairy Producers Alliance,  
Maine Organic Farmers and Gardeners Association,  
Northeast Organic Farming Association of Vermont,  
Northeast Organic Farming Association of New York,  
Northeast Organic Farming Association of New Hampshire,  
Organic Farmers Association,  
National Organic Coalition  
Cornucopia Institute  
Morrison's Custom Feeds  
Zimba Dairy, Michigan

cc Zach Ducheneaux, Administrator of the Farm Service Agency