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STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON AGRICULTURE,
FOOD RESILIENCY, AND FORESTRY

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MEMORANDUM

To: House Committee on Appropriations
From: Rep. David Durfee
Date: January 26, 2023
Subject: FY23 BAA Memo

Dear Chair Lanpher,

I am writing on behalf of the House Committee on Agriculture, Food Resiliency, and Forestry (Committee on Agriculture) regarding the Budget Adjustment Act.

The Committee on Agriculture requests that the Committee on Appropriations include in the Budget Adjustment Act an appropriation of \$9.2 million to the Agency of Agriculture, Food, and Markets for the purpose of establishing a financial assistance program for organic dairy farmers in the State.

The Committee on Agriculture received testimony today regarding the significant economic difficulties currently facing organic dairy farms in the State. The cost of production for organic dairy farmers has skyrocketed as feed and fuel costs have risen exponentially due to inflation and global economic instability. At the same time, the pay prices that organic farmers receive for their milk have remained unchanged as inflation puts downward pressure on consumers' spending power. Organic dairy farms are also left without an adequate economic safety net, as the feed and pay price calculations for the Dairy Margin Coverage Program are based on conventional figures and do not account for organic dairy costs and prices.

In calendar 2022, 18 organic dairy farms closed, and another 30 are at risk of closing prior to the summer of 2023. If no assistance is provided at this time of crisis, the State could lose an important part of its agricultural economy and culture. Consequently, the Committee on Agriculture requests this emergency appropriation.

The one-time \$9.2 million allocation would be used to provide organic dairy farmers with an assistance payment of \$5.00 per hundred weight of milk shipped in calendar year 2022. This funding will not alleviate all of the economic issues facing organic dairy farms. However, it will allow for a much-needed bridge to summer production and new market conditions with the adoption of new federal rules that are expected to raise

organic milk prices. Without this funding or similar assistance, Vermont could lose a substantial percentage of its organic dairy farms.

The members of the Committee on Agriculture present today voted unanimously to support this request for assistance for the State's organic dairy farmers, and we ask you and your committee to also support these farms as they experience economic hardship.

Please contact me if you need additional information or have questions regarding this request.

Rep. David Durfee
Chair
House Committee on Agriculture, Food Resiliency, and Forestry