

Linda Leehman

From: James Maroney <maroney.james@gmail.com>
Sent: Friday, January 7, 2022 4:17 PM
To: Linda Leehman
Subject: Please Disseminate to the members of the Task Force to Revitalize Vermont Dairy

January 7, 2022

Senator Robert Starr, Co-Chair
Dan Smith, Co-Chair

Dear Bobby and Dan:

I have just read the recommendations of the Task Force to Revitalize the Vermont Dairy Industry and I am struggling while remaining civil to find words adequate to describe its irrelevance. Assuming that the recommendations are listed in the order of their importance, the TFRVD suggests first that to address an industry-wide loss of somewhere north of \$60M (a farmer milking 100 cows is making 20,000 cwts but losing \$3/cwt = \$60,000) Vermont dairy farmers should invest in a Risk Management scheme. As I hope you know can, risk management schemes or hedges can under certain conditions, lower losses but their fundamental purpose is to buffer income against losses.

The next recommendation, entitled State Regulatory Milk Market Order Pricing, you explore mechanisms for over=order pricing. But surely you know Vermont cannot make its milk more expensive than milk produced in neighboring states. In the following section under Legal Inquiry and Review of State Regulatory Pricing or Raw Milk Use Tax, you suggest that Vermont milk would be tax3d but again it would become more expensive than milk available from other states. The rest of the recommendations suggest that the state might fiddle around the margins to relieve farmers of other costs but if this were ever undertaken, it would again create the same problem for farmers not to mention that if the state were to raise the Vermont farmers' revenue by the slightest amount they would all go directly to the bank to borrow money with which to put on new capacity with which to make more milk, thereby depressing the FMMO price for them all.

The TFRVD's mandate is to "revitalize" Vermont dairy but nowhere in your recommendations is there any plan that would help Vermont's dairy farmers reduce production, raise revenue and become profitable. Moreover the members seem to be trying to save not dairy but the conventional paradigm, which is impossible to save and it is time — way past time — to acknowledge this. Vermont has been trying for fifty years to salvage the conventional dairy paradigm, which in spite of these efforts and many hundreds of millions down the drain has been hemorrhaging at a steady rate for at least fifty years. The reasons are not complicated:

Vermont's conventional dairy farmers cannot compete on cost with farmers in the west and Midwest

Consumers have been for the same period of time steadily reducing demand for commodity dairy products

In response to which the dairy industry relentlessly cannibalizes its own, builds new capacity and over produces its markets

The conventional paradigm was designed to externalize its wastes into the environment

Vermont dairy is and has been for fifty years the leading cause of pollution entering Lake Champlain

The conventional Vermont dairy industry is ecologically and economically unsustainable

The industry and the state blame a host of factors for its troubles rather than owning them and dealing with them

The conventional Vermont dairy industry is incompatible with the goals of the Global Warming Solutions Act and

The industry has no plans to adjust in its favor any of these existential factors

The TFFRVD mentions in its report how antiquated and “unfair” FMMO pricing is and how COVID has affected the Vermont dairy industry. Surely you all know that Vermont’s farm problems date back to the opening of the Erie Canal (1820s), the build out of the railroads (1850s), introduction of steam driven farm implements (1880s), the immense water reclamation projects (1930s) and finally the introduction of chemical-intensive methods for achieving soil fertility and weed control (1950s). Taken together, these ‘advances’ in farm technology increased yields and decreased the value of farm products. Vermont was not in control of any of these factors but all of them were Faustian bargains with long-term, downside costs. Vermont has never made an effort to help our farmers adjust their business model to accommodate them and the state continues this tradition today.

I am enclosing a link to a plan the intent of which is to help Vermont dairy farmers make this adjustment. The plan is not a turn-key solution or a magic bullet but it is comprehensive; please pay particular attention to the section on page 14 entitled **The Mechanics of Conversion, in Broad Outline**. Vermont's conventional dairy farmers will not like this plan but they must make adjustments even though some will find them painful and some will find them impossible. My plan is intended to help the majority adjust but, of course, some farmers cannot and some will not adjust. But you have before you a Sophie’s Choice: The state must either help them convert now or Vermont’s conventional dairy industry will disappear.

I am available to answer questions at your convenience.

Sincerely yours,

James H. Maroney, Jr.

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<https://www.dropbox.com/s/gr64wrcnmtjv9y3/Remedy%2C%20The%2020220107.docx?dl=0>

James H. Maroney, Jr.
1033 Bullock Road
Leicester, VT 05733

(802) 236-7431