

Task Force to Revitalize the Vermont Dairy Industry  
Monday, September 27, 2021 - Gil Livingston Remarks

Thank you for the opportunity to appear. And thank you for the many, many years you have each invested in searching for creative mechanisms to improve the economic sustainability of Vermont's dairy sector. This is certainly the time to take bold action and to press for structural change.

I am NOT a dairy expert – I worked for the Vermont Land Trust for 27 years, retiring 3 years ago after 10 years as president. With your support through VHCB and otherwise, VLT worked with hundreds of dairy families over that time to permanently protect farmland, and to help new and beginning farmers buy their first farms.

Since leaving VLT, I have joined with colleagues in three efforts focused on the challenges facing Vermont dairy:

- 1) Vermont Dairy and Water Collaborative: Organized by Roger Allbee, Will Raap and myself: this was a citizen-led, cross sector effort to learn about and generate responses to the linked, twin challenges facing dairy – economic sustainability and water quality. “Call to Action” was issued March 2019. Heather Darby was active in this process.
- 2) Dairy and Water Coalition: With Dave Marvin, we supported what was only a partially successful effort to put environmental leaders and dairy leaders in the same room with the hope we could (a) Articulate shared goals/vision; and (b) Act together on shared objectives. Last meeting was in December 2019, shortly before Covid descended.
- 3) Farmers Voices: With John Roberts, Abbie Corse and Ginny McGinn (Center for Whole Communities), we interviewed 25 farmers. Our focus was farmer-leadership: How can we support farmers as leaders, what obstacles do they face in being leaders, what is it about our policy systems that impedes farmers? Report will be issued shortly. Again, Heather Darby was among the interviewees, with her colleague Kirsten Workman.

With that background, a few reflections:

- 1) You know better than I: Farmers have a STONG land ethic and have increasingly taken the initiative to improve soil and waste management.

But farmers feel disrespected: the milk price is unfair – it is unstable and unrelated to cost of production. Market consolidation and the Milk Market Order system are not working for most Vermont dairy farmers.

That disrespect around pricing is compounded by the often ill-informed blaming tone of the public conversation around water quality.

This leads to a dishonoring of dairy farmers' commitment to their work, to their communities and to Vermont.

- 2) There is not enough predictable, long-term public funding available to effectively underwrite soil improvement, water protection, waste management and operational changes sufficient to address our water quality challenges.
- 3) More capital to farmers through fair milk pricing would greatly increase farmers' capacity to accelerate soil and water improvements. And if fair pricing relieves financial distress, farmers will have more time and energy to focus on water quality.
- 4) Two relevant, important conclusions from the Vermont Dairy and Water Collaborative's Call to Action:

**RECOMMENDATION #5:** VT needs an outcome-based water quality regulatory system – our system is focused on implementing on-farm practices and not water quality outcomes. The current system is inefficient, has less water quality impact and permits less farmer creativity. As Heather advocates, Vermont needs a broad-based soil health measure

employed on every farm to establish baseline conditions, document excellence on many farms, and measure improvement over time.

RECOMMENDATION #3: VT needs a “one-stop-shop” operating in service to farmers to provide “Coordinated Technical Assistance and Investments in Water Quality and Nutrient Management Improvement.” The current system is fragmented among multiple agencies, is not always well coordinated, and leaves farmers to navigate complex regulatory, financing and contracting systems.

- 5) Large scale, durable water quality improvement cannot rely on public funding alone – a predictable, enhanced Vermont milk price is essential. Relying on public funding alone would be bad policy. So to achieve our water quality goals, we need an improved milk price, and one tied to on-farm water quality improvements.
- 6) There is good news: Public focus on food insecurity, food resilience and supporting local farms accelerated during the pandemic – the public is ripe to support transformed pricing tied to a water quality improvement system. This would be essential if VT looked to the ME model which includes a component of public funding, or PA which impacts consumers at the dairy case.
- 7) Finally, through the work over the last few years with farmer-leaders and environmental leaders, I believe there is an appetite to work together to design a new system that links enhanced pricing with water quality system improvements. Not unlike payment for ecosystems services discussion – but with a funding source. I would happily join others in supporting that work once there is political momentum.

Thank you and I am happy to answer any questions.