Bringing the Cows Home

Working to build local and sustainable economies, especially through the development of small-scale and sustainable dairy operations, remains a passion of mine. However, moving to the District two years ago from rural Vermont, I forced myself to leave behind many of my personal loves in the search to be effective in my work and happy with my life. Along the road, I found myself concerned for the future of dairy farmers in the US.

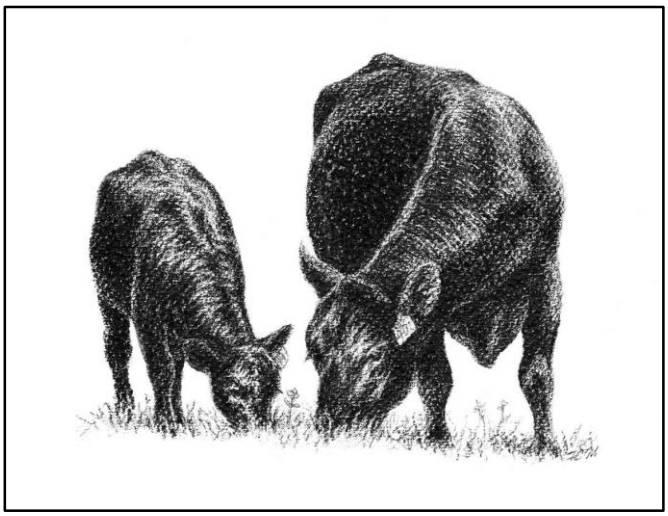
In Vermont, as the Director of American Micro Dairies—a VT-based 501(c)3 nonprofit—my work activities included consulting nationwide on dairy policy, conducting environmentally-based grassroots advocacy, promoting rural development, and contributing to a critical dialogue for food sovereignty with the intent of unifying local farmers and local markets. Though I have not completely lost touch with the roots I put down in Vermont, the District constantly reminds me that there is a lack of a critical dialogue concerning food sovereignty for farmers in US. Food sovereignty can serve as the counter-narrative to help farmers in their plight against corporate-like cooperatives and pitiable farm policy in the US as the dairy industry continues to transform into a conglomerate of milk-production factories.

A Shifting System

As evidence of change in the US dairy industry, the number of dairy farms in the US has diminished from 105,000 to 51,000 in the past 14 years. At the same time, the average size of the remaining dairy operation increased its heard size by 148% percent: from an average of 88 to 142. Nevertheless, reports by the USDA suggest that dairy farmers cannot realize costs until the heard size increases to 1,000 head of cattle—possibly more. Today many dairy farms in the West have more than 5,000 cows, but in the 1950s a farm with more than 100 cows was considered large. The "get big or get out" mantra spans many sectors in agriculture, but is particularly true for the dairy industry today.

The costs of production for farm milk and milk prices have been on a roller-coaster ride. As milk prices reached record highs in 2007, large-scale dairies added more cows to capitalize on the higher price of milk. The increase in the number of cows at mega-dairies caused an increase in the overproduction of milk, which eventually caused the prices of milk to fall by half. Though the prices fell, the cost of production did not—in fact, the cost of production rose by 35 percent and the cost of energy rose by 30 percent in 2008. In 2009, many dairy farmers were losing between $100 and $200 per cow each month.

The volatile and low farm-gate price of milk wills me to ask: what does it mean to sell your herd of cattle, your way of life? This is occurring too frequently in the US. This is the frayed end of agriculture and food policy that the US needs to work to tie up.

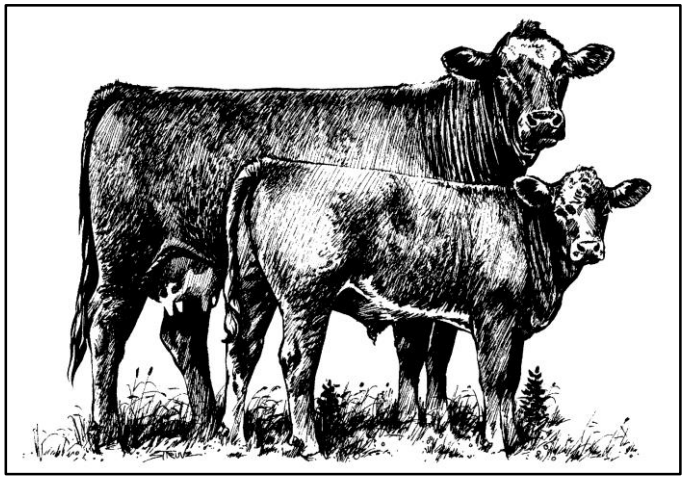


Yet, here I am in DC—joining the "cappuccino class" and leaving dairying to the wayside—guilty as charged. My consumption of dairy products remains light, but relevant: eating FAGE's yogurt with honey, using dollops of butter while slaving over the stove, and, of course, adding a splash of milk to my coffee when needed. (I'm not quite ready to admit my more serious vice of frozen yogurt

consumption.) Moving out of a rural town to a "big-city" also meant that my shoulders were more free from physical labor than ever before, my hands were washed clean of dirt from playing in the yard, my palms emptied of splinters—a plus!—and my first-digits were no longer considered "green thumbs." But I came to DC with the hopes of becoming a "career" activist in food and agricultural policy, and while here I found the policy rhetoric abysmal. The new dairy provisions of the 2014 Farm Bill are a perfect example of pitiable policy substituted for pitiable policy.

On February 4, Congress solidified Farm Bill 2014 in the eleventh hour—imagine that. Obama moved in on the deal by signing the Bill on February 7. This sets the course for the next five years of farm policy under the US Department of Agriculture (USDA). However, the 2014 Farm Bill nearly did not pass. Unfortunately, this is a crisis we are nearing—a US without a Farm Bill; another reason to be concerned for the future of farmers in the US.

To avoid failing to pass the Farm Bill in the future, systemic changes need to be addressed on the legislative level in Congress. In addition, farmers and the public need a stable, transparent, and more supportive Farm Bill now. Short-term action also calls for the better use of policy instruments that are already in existence.



There were two major changes to dairy policy in the new Farm Bill. First, the Milk Income Loss Contract (MILC) program, which previously paid dairy farmers when milk prices dropped below a certain amount, was repealed. Second, the Margin Protection/Insurance Program was amended in place of MILC. The new Margin Protection/Insurance Program will allow those that sign up for it a base level of protection from the volatility of low margins due to low milk prices, high feed costs, or a combination of both. Notably, however, these are not the specific provisions that any expert predicted in the weeks leading up to the Farm Bill being passed.

Potential for Supply Management

What didn't get through this Farm Bill was the initial versions of the Bill that passed the full Senate and House Agriculture Committees, which included a dairy market stabilization program designed to rein in wild fluctuations in dairy commodity prices. The proposed policy would have required farmers to participate in a new dairy crop insurance program to reduce milk production when dairy prices fell. The program would have scaled back milk payments for farmers who produced more than their average seasonal output, as a way of obviating the chronic surplus of milk on the market that further decreases commodity prices. These provisions aimed to stabilize the market and, in turn, reduce the need for USDA price supports. This would have been a supply management policy to help curtail the oversupply of milk from mega-dairies, which is draining the livelihoods of local, modest dairy farmers.

House Speaker John Boehner, R-Ohio, referred to these supply management reforms as being "Soviet-style"; where, on the same topic, Senate President Pro Tempore Patrick Leahy, D-Vermont, called the supply management reforms "common sense dairy policy."

Coupling the margin insurance program with the proposed crop insurance program would have been beneficial to dairy farmers. The large number of dairy farmers going out of business today is a result of the policies that don't address the oversupply of milk on the market. In turn, dairy farmers are being phased out—bought out and unable to afford upgrades in the current

state of the dairy industry. Policy to empower farmers from a social justice standpoint will have to come from supply management policies. Rebuilding the political power to break up dairy monopolies, revitalizing antitrust protections and correcting farm policy practice needs to come from logical rules and a fair marketplace.

How Much Time is Left

For the first time in many decades, the number of dairies in Vermont has dropped below 1,000. Both the constant production of milk and the product's extreme perishability are reasons why dairy farmers are particularly dependent on buyers. To overcome this, milk-processors have consolidated, and in many cases merged with retailers—forcing downward pressures on local, small-scale farmers, leaving them completely out of the marketplace in many instances. Without appropriate regulation or incentive in the US, the current milk marketing system is not encouraging producers to match supply with demand, a "backward bending supply curve" is the result. In other words, because of the farm-gate price of milk, farmers tend to produce more milk, not less milk, when prices go down.

My understanding of the downward pressures US food and agriculture policy puts on dairy farmers makes me apprehensive of the future for dairy farmers. This makes me ask: Is there a future for dairy farmers in the US? If so, reform is needed—perhaps by democratizing the process, re-focusing domestic markets to support rural livelihoods, and improving the milk marketing system from the bottom up to provide justice for small-scale dairy farmers in our country. This suggests fairness for farmers by providing them the cost of production, plus a profit.

- Forrest McGraw