



February 28, 2023

## **Testimony of Rodney Purser at the Hearing on Proposed Amendments to the Transportation Credit System in the Appalachian, Southeast and Florida Federal Milk Marketing Orders**

Good afternoon. My name is Rodney "Roddy" Purser, proud owner of White Rock Farms in Peachland, North Carolina. I am a first-generation dairy farmer having started my dairy in the spring of 2013. I, alongside my employee team, milk 750 cows every day. Since my start, I have been a proud member of Maryland & Virginia Milk Producers Cooperative Association. I was fortunate to be appointed to Maryland & Virginia's Board of Directors to fill a vacancy about four-and-a-half years ago. Since then I have been elected by my peers for a three-year term, with hopes to continue my leadership within our cooperative for years to come. I am also a Board Member of the Dairy Cooperatives Marketing Association, Inc., commonly referred to as DCMA.

Maryland & Virginia owns five milk processing plants, two of which are fluid plants pooled in Federal Order Five. One is in Newport News, Virginia and the other in High Point, North Carolina. The milk from my farm is typically shipped to Asheville, North Carolina, and other locations within North Carolina. During the late summer and fall when milk is typically short, my milk at times has traveled to Atlanta, Georgia.

I fully support the DCMA proposals being considered today including:

1. Proposal 1 which seeks to update the transportation credit provisions in the Appalachian milk marketing order;
2. Proposal 2 which seeks to update the transportation credit provisions in the Southeast milk marketing order;
3. Proposal 3 which seeks to establish distributing plant delivery credits (intra-market transportation credits) in the Appalachian milk marketing order;

4. Proposal 4 which seeks to establish distributing plant delivery credits (intra-market transportation credits) in the Florida milk marketing order, and
5. Proposal 5 which seeks to establish distributing plant delivery credits (intra-market transportation credits) in the Southeast milk marketing order.

My support for these proposals is based on my personal experience with transportation costs as I have reviewed my monthly milk statement from my cooperative. I have two hauling costs listed on my statement, one is for the assembly of milk and the other centers around the costs of transporting the milk from my farm to the plant. I am focused today on the cost of transporting my milk and not the assembly of my milk. In my decade of dairy farming, my transportation haul rate has gone up approximately 50% in supplying the local market. My local market used to be Charleston, South Carolina but with the plant closure my local market is now Asheville, North Carolina. I understand there have been several plant closures in the Southeast in recent years like Charleston, South Carolina; New Bern, North Carolina and Richmond, Virginia.

Secondly, as a Board member of Maryland & Virginia Milk Producers, Association, I understand there are extra hauling costs incurred when my milk and fellow member milk must travel past their local delivery destinations to further destinations. Internally, Maryland & Virginia Milk Producers, Association, refers to this cost as a hauling subsidy and that cost is shared by myself and my fellow dairy farmers each month. A distributing plant delivery credit would provide real help for me and my fellow dairy farmer members as described in the DCMA proposals three through five.

Maryland & Virginia must move milk into the southeast from outside Federal Order regions since there is not enough milk produced in the region to satisfy consumer demand. I understand that milk must also travel further distances due to the continuously shrinking number of plants available to process milk in our region, accompanied by shifting seasonal demand. What I have witnessed is that the current

location differentials at the destination plants and the current transportation credit program do not generate enough dollars to cover the true cost of moving that milk further distances. This creates an additional cost to the hauling subsidy that is shared by myself and my fellow dairy farmer members. This justifies the need to update the current transportation credit program as requested in DCMA proposals one and two.

I have personally experienced the compounding issues our current transportation credit system is causing the southeast dairy farmer. We need to have the Southeast Federal Orders changed to sustain dairy farmers in the Southeast to supply fresh milk to the fluid processing market.

For all these reasons, I fully support the proposals to appropriately amend the inter-market transportation credits in the Appalachian and Southeast Federal milk marketing orders (FMMOs) and adopt distributing plant delivery credits (intra-market transportation credits) in the Appalachian, Florida, and Southeast Federal Milk Marketing Orders.