

ADAMSCOWS DAIRY  
Rick and Michelle Adams  
Laton, Ca

11/11/2015

Thank you for your time and for holding this hearing. My name is Rick Adams of Adamscows Dairy in Laton, Ca. Our family dairy operation strongly supports California joining the federal milk marketing order system so much that three members of my family are testifying here today. We are all here testifying in support of proposal #1 put forward by the state's cooperatives CDI, DFA and LOL.

I want to begin by describing our dairy operation. As a Land O' Lakes member owner milking under 100 cows we are definitely one of the smaller dairies in the state given that the average herd size is now more than 1200 cows. We are a small dairy farm and grow our own forages with family labor doing many of the milking, feeding and farming operations.

Given the failure of our state system to pay a price that is in line with prices paid across the federal order system, dairy operations in our state, both large and small continue to question whether or not they can afford to continue producing milk in our state. We are also quota owners and have made that investment in an effort to reduce our risk. We are in support of maintaining the quota system as it is, and are adamantly opposed to modifying the program in any way.

As an older smaller dairy farm we realize that we have unique challenges in today's economic landscape and that is why we do everything we can to cut expenses including eliminating hiring custom operators. It simply isn't possible for us to pay these costs. In fact, when my son was 11 years old he started driving his own silage truck when we chop our silage. We struggle to survive without bank loans because we, as a family dairy farm, refuse to lose what my dad and grandpa before him worked so hard to achieve. So, my wife's teaching income is, in the short-run, continually being used to keep our dairy in operation. This is

not a planned business strategy and is not one we can maintain long-term.

Under our state system, when California Department of Food and Agriculture (CDFA) Secretary Ross denied our petitions to increase our prices so that they are in line with the federal order system, one of the things she claimed, was that she couldn't provide such an increase because of her concern about the small cheese makers. No such concern has been given to small dairy operations like mine and I don't agree that milk pricing regulations should be driven by the possible impact on small cheese makers. One of my biggest frustrations has been the fact that CDFA regularly publishes cost of production reports and these reports clearly show that our costs are well above the prices that we receive.

In conclusion I would like to thank you for your time and implore the USDA to adopt the cooperatives proposal so that dairy farmers in California are paid prices that are in line with the federal order system.

One last closing thought. President John F. Kennedy was once quoted as saying "The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways." Well, I agree with that sentiment, but I want to take it one step farther. As California dairy farmers we are here pleading for our mere survival while it is off of our backs that cheese makers with benefit packages and 401(k)'s are telling us they can't afford to pay us what we deserve. It seems obvious to me that when they are crunching numbers, their only concern is their profitability rather giving any concern to whether ours, or any other dairy, can survive on the bargain basement prices they claim they can afford to pay. Makes me wonder, why can other western cheese processors in the federal order afford to pay federal order prices but California's can't?

Thank you for the opportunity to testify here today.

Rick Adams