

**Comment Number: AGW-15688**

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**To:** ATR-Agricultural Workshops  
**Subject:** Comment

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Planting our crops is a great effort and expense, planning, preparing, and then waiting for favorable conditions. Positive results are essential to our livelihood and the decision to proceed usually comes down to common sense and gut instinct, conditions have to be just right, waiting is difficult and time is money.

Since 1970, we have seen the number of dairy farms in this country drop from 648,000 to the 54,000 remaining today. We have seen the consolidation of a number of small farms result in 1 large farm.

Technology has helped improve genetics, feed quality and production; it amounts to more per animal and more per acre. Our history has instilled in us that, the real wealth of a nation is its people and their ability to produce beyond their needs. Apparently, we're quite wealthy.

During all these years we have relied on survival of the fittest to achieve balance in the market place, it is a reactive cruel method of achieving balance.

The US relies too heavily on export markets for balance of the domestic market. Export Markets can be profitable but prove to be very fickle, they appear from nowhere, exist briefly and then disappear overnight. Export Markets result from misfortune elsewhere, usually a cataclysmic event typically weather related. We ignore market saturation, offer no incentive or mechanism to slow production during a receding market, which then creates a surplus and leaves us suffering in the shadow of inventory. That is where we are today, again. And 2012-2013 again.

The past 40 years should have provided enough evidence to convince us to develop a proactive management tool capable of stabilizing the dairy industry. If you are not convinced, ask the nearly 600,000 producers who gave up their farm, listen to the consumer who has become detached from food production but wants a diversified food base in every region of the country; and if you're still not convinced, ask the government if the expense of subsidizing everything including the market would make a budget neutral production management tool look attractive.

It would only take 800 or so 10,000 cow farms to supply the needs of this country. We will see continuing consolidation of farms through vertical integration creating a bank of milk under contract with processors. Smaller farms will rely on dairy coops to find a market for their milk as we do now, smaller coops would likely balance the market or fulfill a niche in the market, and as their production base dwindled, the coop would likely be consolidated as well.

Those who oppose supply management will participate in vertical integration; those unable to

participate will become victims of Survival of the fittest.

The dairy food industry is a \$300 billion per year industry, which is closely held and fiercely protected, those who control the milk control the industry, control is profit. Consolidation of infrastructure and effort, political influence, and a lack of transparency, creates a less than competitive environment felt by producers and the consumer.

If the producer was being fairly compensated we wouldn't be here today. Implement a supply management tool. Improve price discovery through daily electronic reporting of cash markets, survey a representative cross section of the markets on a monthly basis.

We need a diversified agricultural base in each region across this country to protect our food supply and ensure food security.

Reducing the number of farms and increasing their size will raise concerns about disease control. Last month Japan had an outbreak of Hoof and Mouth disease involving 50,000 cows and 150,000 hogs.

The consolidation of processors creates a vulnerability to the effects of contamination in our food supply and would distribute those effects through an expanded segment of our population.

Folks, we have problems that need to be addressed now, let's get started.