

## California Dairy Campaign

September 9, 2015

John Russell, Deputy Director  
State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100



RE: Opposition to New Confined Animal Facility (CAF) Dairy Waiver Fee

Dear Deputy Director Russell:

California Dairy Campaign (CDC) writes in opposition to the proposed new annual fee for dairy facilities currently enrolled under a waiver of waste discharge requirements (WDRs). California Dairy Campaign is a grassroots organization representing dairy farmers throughout California including dairies located on the North Coast of California.

According to the 2015 California Department of Food and Agriculture (CDFA) "Dairy Statistics and Trends Mid-Year Review," 1434 dairies remain in operation in our state, a decrease of more than 600 dairies in the last 10 years. California dairy producer prices routinely rank last in the nation and dairy producer income continues to be well below average production costs. Statewide the cost to produce milk now totals \$19.12 per cwt. according to the latest "CDFA Statewide Cost Comparison Summary." According to the CDFA summary, dairies in the North Coast of California had the highest average cost in the state totaling \$28.37 per cwt. The latest published CDFA pricing data indicated that the Blend price paid to dairy farmers totaled \$15.04 per cwt, well below production costs particularly for those dairies located on the North Coast.

Although dairy producer prices did improve in 2014, prices have remained well below production costs throughout 2015 and are likely to remain so in the coming months. Dairy farmers statewide have endured tremendous losses since 2009 which was the worst year by far with average income losses of more than \$5 per cwt. The situation improved somewhat in 2011, but then deteriorated dramatically when dairy income fell well below production costs in 2012 and continued to be below average costs in 2013. In 2014 dairy producer prices improved, but higher prices did not last long enough to account for sustained income losses in recent years. Throughout 2015 dairy producer income has failed to cover average production costs. Combined with the great uncertainty about water and feed availability due to the historic drought, dairy farmers in California today face unprecedented economic challenges.

Our dairy producer members spend time and significant resources to meet environmental standards in our state. Dairy farmers are price takers, not price setters and are not able to pass on additional costs. The proposed new fee for dairies in the waiver program will add additional costs for dairy farmers who continue to struggle to make up for unprecedented economic losses in recent years which continue to this day. Now is not the time to establish new dairy permit fee and we respectfully urge the SWRCB to reject the proposed dairy waiver fee.

We greatly appreciate your attention in this regard.

Sincerely,

A handwritten signature in black ink that reads "Lynne McBride".

Lynne McBride  
Executive Director

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