

**United States Department of Agriculture
Before The Secretary of Agriculture**

**In re: [Docket No. 23-J-0067; AMS-DA-23-0031]
Milk in the Northeast and Other Marketing Areas**

Hearing beginning August 23, 2023

**Testimony Presented By:
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My name is Rick Podtburg. I am here today representing Dairy Farmers of America (DFA) and the Colorado dairy farm families. I currently serve as a council member of DFA's Mountain Area Council and board member on DFA's Board of Directors.

My father started a dairy with 40 cows 55 years ago. Upon graduating from high school two years later, I made the decision to make dairy farming my lifelong passion. We grew slowly for 40 years to 1,500 cows.

Today, with my wife, 4 sons, 2 grandchildren and 150 employees, we milk 9,500 cows at 2 locations near Greeley, CO. We also have 4,500 acres of crop land and a 4,000 head feedlot to finish our steer calves to the beef market.

In 2008, Leprino, which has always been headquartered in Colorado, committed to building an 8 million-pound per day cheese plant in Greeley, CO in addition to their 2 million-pound per day plant in Fort Morgan, CO.

The building of this new plant created new demand opportunities for Colorado. To fulfil the new milk demand, it required Colorado to grow from 100,000 cows to 200,000 cows. The plant was built in 3 phases starting in 2011 and reaching capacity in 2020. This new opportunity encouraged growth with the existing Colorado dairies and allowed new members to move to the area. Without this large plant, Colorado wouldn't have developed to the level it is today.

I am here today to support the National Milk Producers Federation's (NMPF) proposed changes to the Federal Order Milk Marketing system, with the exception of the price surface adjustments. Colorado is on the western edge of the Central Federal Order 32. Currently, the location differential for Weld County, Colorado, where Greeley is located, is \$0.45 per hundredweight more than Jackson County, Missouri. The University of Wisconsin model puts Weld County, Colorado at a disadvantage compared to Jackson County, Missouri with a negative difference of \$1.00 per hundredweight between the two locations. The NMPF proposal is better, but still has puts Weld County \$0.15 per hundredweight lower than Jackson County. We need to maintain the \$0.45 per hundredweight positive relationship Greeley currently has.

The reasoning for this is that we have the highest cost of production for any location in Federal Order 32. A significant amount of feed, corn, soybean meal, and cottonseed must be trucked or railed into Colorado. As with many other industries, the cost of this has increased significantly the last 3 years. As an example, corn in Colorado previously was \$0.30 per bushel to \$ 0.50 bushel over the CME price. Last year, with the high cost of

transportation and a short crop, that became \$1.00 per bushel to \$1.50 per bushel over the CME. That also makes our corn silage cost much higher, as it is based on the cost of corn delivered to Colorado.

Also, Colorado's population is growing rapidly, making it a high cost of living state. This is also creating even greater competition for employees, housing, and water, which is a major cost increase for Colorado dairies. I have included a summary of the average cost to produce milk in Colorado. This is an accountant prepared summary of about 20 dairies showing the dramatic increase in cost of production.

For these reasons, the plus \$0.45 per hundredweight difference between Jackson County, Missouri and Weld County, Colorado needs to be maintained. I believe we have the highest cost of production in Federal Order 32. If the Federal Order price for Colorado is less or equal to Jackson County and we have the highest cost, we will obviously go negative cash flow sooner than other areas in the Order when milk prices drop. With this change, and the \$0.50 per hundredweight potential reduction from the make allowance change, this could be devastating to the Colorado dairy farm families. Thank you for allowing me to testify today.