COUNTY OF SONOMA

BOARD OF SUPERVISORS

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November 8, 2022

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The Honorable Marc Levine State Capitol, Room 5135 Sacramento, CA 95814

The Honorable Cecilia Aguiar-Curry State Capitol, Room 5144 Sacramento, CA 95814 The Honorable Alex Padilla 112 Hart Senate Office Building United States Senate Washington, DC 20510

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Washington, DC 20515

The Honorable Mike McGuire State Capitol, Room 5061 Sacramento, CA 95814

The Honorable Jim Wood State Capitol, Room 6005 Sacramento, CA 95814

Karen Ross, Secretary California Department of Food and Agriculture 1220 N Street, 4th Floor, Suite 400 Sacramento, CA 95814

RE: Request for Financial Aid for California Organic Dairies Due to Drought Conditions and Inflationary Costs Impacting Operations

Dear Sonoma County Delegation Members and Secretary Ross,

On behalf of the Sonoma County Board of Supervisors, I am writing to request your support to provide financial aid for organic dairies in California, due to historic drought conditions, unsustainable feed costs, and extraordinary costs for operations including transporting dairy products to market and other inflationary pressures.

Dairy farms are on a swift decline stemming from a confluence of extreme climactic and economic conditions and forces. Many dairies throughout the region have experienced severe financial losses in 2022 and a number of dairies have gone out of operation. It is estimated that at least ten organic dairies will close this year, representing an approximately \$18-million economic loss in this sector this year alone. The closure of these often small, family operated farms is a tremendous loss to many rural communities and their food production capacity.

At the root of this industry-wide disaster is a combination of factors including the ongoing megadrought conditions that has plagued the western United States and which has imperiled hay stock and driven up feed

prices. Organic alfalfa prices have increased from \$350/ton in March 2021 to \$475/ton in July 2022. Some farms report up to a 50% increase in overall feed costs from Jan. 2020 to Oct 2022. The effect of this reduced supply of feed and skyrocketing costs is further compounded by other economic conditions that are likely well understood by you all, which have driven up the cost of fuel and electricity thereby impairing organic dairy farms' operations including transportation of product to market.

Dairy farms in our region are being severely impacted financially and as a consequence, a significant portion of the organic dairy farming community and organic farmland will likely be permanently lost and much of that farmland will go fallow and lose economic value. Dairy farms, feed supply farms, and dairy processors are significant employers of farm and skilled labor and the loss of these employers represents hundreds or thousands of lost jobs in an increasingly likely worst-case scenario. The potential for food supply shortages of organic dairy products in grocery stores and significant increases in shelf prices for organic dairy products cannot be overlooked.

Feed, electricity, fuel, and other costs are through the roof with inflation and the ongoing drought. The effects of the megadrought on the supply of feed and skyrocketing inflationary economic pressure has the organic dairy industry, facing collapse. Agriculture faces the brunt of these collective pressures without efficient safety net or adaptive funding mechanisms to reduce on-farm operating costs such as irrigation pumping and electricity. Current safety net funding mechanisms through federal programs have application processes that are onerous and do not cover the cost of adopting and implementing the more climate resilient infrastructure. In addition to the need for immediate financial assistance, infrastructure funding for implementation of climate resiliency and energy independence is also needed to offset the impacts of drought and inflation.

State and federal assistance is now critically necessary to avoid this catastrophic outcome and we urge your timely assistance in this matter.

Sincerely,

JAMES GORE, Chair Sonoma County Board of Supervisors

CC: Sonoma County Board of Supervisors