

Hello.

My name is Case Van Steyn. I operate 3 dairies in south Sacramento County with family support.

My story is similar to many other dairy farmers in CA and dairy farmers who have testified here.

My parents came from Holland to try to chase the American dream of a job, security, and opportunity for the future. I cannot imagine the emotions when they left Holland with two small children not knowing if they would ever see their parents or if the grandparents would see their grandchildren again. This was a big step that most of us cannot comprehend.

My dad got a job milking cows in Tracy, CA. He worked for several years to save up a small sum of money to start his own dairy. He accomplished this by scrimping and saving every dollar he could, putting all he could into a savings account, which came first. Living expenses were left over.

By using the savings and a loan from the bank he gathered up 20 cows and rented a place in Lockeford, CA - no days off, no outside activities. The goal was committed to seven days a week. Slowly, but surely, he added additional cows and moved to another location, still in Lockeford. Then in 1956 we moved to a ranch in a partnership with another dairy farmer. The cows were merged to form a viable operation, which continues to this day. In 1966 my dad bought out the partner and proceeded to accomplish his dream of owning his own dairy, cows, and land.

In the early 60's we shipped milk to an independent processor in Sacramento. The market prices were stressed. My father met with local dairy farmers whom he and his partner rounded up to have a discussion on what could be done, possibly even including approaching the processor for additional money. The processor learned about this meeting that my dad had organized. The field man for the company came by and told us that at the end of the month our milk would not be picked up anymore - that our contract was canceled. I assume that the processor did this to make sure the other farmers at the meeting would not proceed with the discussion.

At that time, my dad's partner had a duck pond at the back of an additional ranch, where several of his friends would be invited to go hunting. This included a cabin with sleeping quarters. It was far from any other structures. The people would hunt there, eat there, sleep there, drink there and swap stories as in the proverbial **man cave** of today.

During these times the topic of our contract's being canceled came up. Some of the duck hunting companions included the owners of Raley's Superstores, a construction contractor, and people associated with Borden's. By the time the discussions ended, an agreement was reached that Borden's would supply products to Raley's if Borden's would take us on and give us a contract. This would be similar to today's contract including pooling and quota.

Remember that all this took place at a duck club. We received our contract and sold <sup>milk</sup> to Borden's. Because of this and maintaining our

class 1 usage, we were able in to enter the new CA milk <sup>pooling</sup> plan and receive quota holdings in 1969.

As you can see, having a secure home for milk was totally at the hands of the processors who controlled who shipped where and when. The farmers were totally at the mercy of the processors and it was clearly apparent that the processors' interests were first. So, thank goodness for friends, duck hunting, and commitments made over breakfast that we were able to survive in the dairy business in the mid 60's.

I emphasize that it is extremely critical that we maintain the quota system in CA as we have done since 1969. That change allowed many dairies to remain viable and participate in the American dream. Since many other dairy families' <sup>roots</sup> routes trace back to Holland, Portugal, and other places, <sup>California dairymen have</sup> ~~there are~~ many common goals.

The dairy business in CA has met with bumps in the road, ups and downs, and <sup>Federal</sup> support price volatility. But with all the bumps along the way the dairy farmers have been able, at a semi-reasonable level, to allow for positive cash flow and some expansion.

In approximately 2007, decisions were made at CDFA in pricing formulas that allowed the wheels to fall off the train and the CA discount to begin, which continues to this day. The biggest priority, as we discuss federal marketing orders in these hearings, is that we find a solution to end the volatility and cause CA prices to be in a reasonable alignment with prices throughout the rest of the country.

A three dollar discount of milk prices compared to other cheese making areas is unacceptable if CA is to maintain leadership in the dairy industry in the future. It is critical that we address these issues including maintaining quota to be able to move forward and stabilize the dairy industry in CA.

We also need to consider California's regulatory climate and its consequences on dairies including air, water, labor, environmental, and animal care that add significant costs to <sup>a dairy's</sup> the P&L.

California has lost approximately 600 dairies since 2008 and has had <sup>ongoing</sup> sales of dairies going out of business on a regular basis. Currently there are shortages of milk in CA at most processors. It is likely to get worse.

So, as not to repeat previous testimony by the co-ops, trade organizations and individual dairymen including Rob Vandenheuvel, Rien Doornenbal, ~~and~~ Melvin Medeiros, <sup>and Joey Airosa</sup> I will not try to testify on details, some of which I probably do not have personal knowledge. However, I can present the CDFA Dairy Review, which clearly points out the CA discount over the last six years plus.

Thank you very much for your attention and accepting this testimony to be considered in the federal milk marketing hearing as it moves forward.

# Milk Mailbox Prices in Dollars per Hundredweight - 2015

## 2015 Mailbox Milk Prices

Reporting Areas	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Dollars Per Hundredweight												
California	\$15.11	\$14.49	\$14.45	\$14.43	\$14.72	\$15.05	\$14.62					
New England States	\$19.33	\$18.44	\$18.08	\$17.97	\$18.07	\$18.18	\$17.74					
New York	\$18.01	\$17.05	\$16.67	\$16.55	\$16.68	\$16.74	\$16.44					
Eastern Pennsylvania	\$17.85	\$17.03	\$16.56	\$16.41	\$16.48	\$16.49	\$16.28					
Appalachian States	\$19.09	\$17.94	\$16.91	\$16.54	\$16.49	\$17.02	\$17.53					
Southeast States	\$19.81	\$18.29	\$17.06	\$16.61	\$16.69	\$17.28	\$18.05					
Southern Missouri	\$18.39	\$17.72	\$16.79	\$15.95	\$15.99	\$16.59	\$17.88					
Florida	\$21.33	\$19.55	\$17.98	\$17.77	\$17.77	\$18.21	\$18.96					
Western Pennsylvania	\$17.98	\$17.10	\$16.73	\$16.72	\$16.75	\$16.67	\$16.54					
Ohio	\$18.19	\$17.33	\$16.85	\$16.79	\$16.84	\$16.78	\$16.66					
Indiana	\$17.31	\$16.43	\$15.89	\$16.04	\$15.81	\$15.87	\$15.75					
Michigan	\$16.89	\$16.03	\$15.56	\$15.58	\$15.48	\$15.47	\$15.33					
Wisconsin	\$18.18	\$17.58	\$17.46	\$17.51	\$17.65	\$17.82	\$17.49					
Minnesota	\$18.03	\$17.41	\$17.32	\$17.36	\$17.55	\$17.61	\$17.06					
Iowa	\$17.58	\$17.11	\$16.74	\$16.65	\$16.72	\$16.97	\$16.68					
Illinois	\$17.74	\$17.28	\$17.01	\$16.79	\$16.84	\$16.90	\$16.75					
Corn Belt States	\$16.55	\$16.01	\$15.63	\$15.56	\$15.76	\$15.86	\$15.68					
Western Texas	\$16.38	\$15.78	\$15.47	\$15.49	\$15.71	\$15.70	\$15.55					
New Mexico	\$15.19	\$14.84	\$14.51	\$14.39	\$14.63	\$14.62	\$14.90					
Northwest States	\$16.79	\$15.39	\$16.65	\$15.69	\$16.81	\$15.83	\$15.33					
All Federal Order Areas	\$17.71	\$16.91	\$16.60	\$16.44	\$16.60	\$16.62	\$16.43					

California mailbox price calculated by CDFA Dairy Marketing Branch  
 All federal milk market order weighted average, as calculated by USDA.

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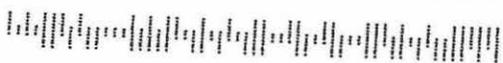
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