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USDA AMS Dairy Programs
Order Formulation and Enforcement Division
Stop 0225-Room 2530
1400 Independence Avenue S.W.
Washington, DC 20250-0225

Subject: Testimony for National Hearing on Federal Milk Marketing Order Proposals
Docket No. 23-J-0067; AMS-DA-23-0031

Dear USDA AMS Dairy Program and Judge Strothers:

Thank you for providing me the opportunity to testify today via Zoom. The past few weeks have been exceptionally busy due to forest fires in our area. We were out of power for 9 days last month and then had sketchy power using individual grids for weeks. I was very happy when power was fully restored earlier this week.

I grew up in the dairy farming valley of Chino, California. My parents had 900 cows in the 1980's and I was out with the calves and cows as soon as I could walk. I went to Cal Poly, San Luis Obispo and earned a BS in agricultural business with a minor in dairy science. I met my husband Blake at Cal Poly.

Like me, Blake's a 4th generation dairy farmer, we've raised 5 kids on the farm. The 5th generation has followed in our footsteps, earning ag degrees at Cal Poly and bringing their knowledge back to the family farm. Since 2005 they have also operated Alexandre Kid's Eggs, a successful pastured-based organic egg business that uses the same regenerative organic practices as the dairy operation. Our family, along with a dedicated management team, is involved in day-to-day activities on the farm – everyone



brings different, bright passions for agriculture. This proud Oma (grandma) is hopeful that the 6th generation will choose agriculture too.

I've served on the California Certified Organic Farmers (CCOF) Board, as a Del Norte County 4-H Club Leader, and I'm a passionate nutrient-dense food enthusiast. In 1998 we started Alexandre Family's Bucket Calf program as a way for our kids to have their friends come to the dairy and learn about agricultural life and show a calf at the fair too. This summer was our 25th year with over 120 kids adopting a calf from our farm.

We're strong proponents of sustainable organic farming practices. In 2001, we were among the first dairies in California to become certified organic. Environmental stewardship and nutritional education are central to our management strategy. Together our family operates five grass-based organic dairies in Del Norte and Humboldt County with 4,500 crossbred milk cows on 5,800 acres of irrigated pasture. We also have 2,000 acres of organic hay cropland in Modoc County. We sell our organic milk to: Rumiano Cheese, Humboldt Creamery, Organic West Milk, and our own Alexandre Family Farm creamery. Our farming gross revenue is over \$3.75 million, the Small Business Administration threshold for small dairy farms.



Almost 20 years ago, in our quest to better understand the nutrient density of milk from grass-pastured cows, we learned about beta casein in milk and its effect on human digestion. We have been breeding for 100% A2 beta casein protein genetics ever since and we now have a large herd of strictly A2/A2 (A1-free) organic cows.

In 2016, we purchased the assets of a small creamery in San Leandro to bottle our milk and make yogurt. We started with 4 employees and we're pleased that

we're now up to 27 employees at the creamery. Our Alexandre Family Farm branded milks and yogurts are distributed nationally. Our creamery operation is under the Small Business Administration employee threshold for small dairy processors.

For the past 7 years our family has subsidized the development of our Alexandre Family Farm consumer brand from our well-established and profitable dairy operations, plus equity from our land. We started our brand to bring health to our farm, employees, and our rural community. We strive to educate consumers, and most importantly, bring people back to dairy for their health and the health of the earth.

I'm the controller for the Alexandre Family businesses and my primary role in the business is heading up all financial matters. Before starting the creamery, like many dairy farmers, we didn't

know much about the federal milk orders. Today our son Joseph Alexandre handles FMMO matters for the family. It's been a tremendous learning experience for me, him, and Blake.

We struggle to understand how organic dairy farms and processors fit into the FMMO system. So far this year, we've paid over a quarter of a million dollars into the pool. We don't see any benefits from this for either the farming or creamery operation. Those pool obligations are resources that leave our business and limit our ability to invest and grow. In simple terms, the pool obligation effectively increases the cost of organic milk for our creamery. Because the pool does not affect organic mailbox prices, it's inclusion of organic milk producers is not necessary.

As I understand it, a FMMO benefit for a creamery bottling milk is access to farm milk supply and balancing the supply to finished goods manufactured. Our consumer products are certified organic plus 100% A2. We can't use conventional pool milk at our creamery. The benefit of a milk supply supported by the pooling formula is not valid when there are no organic raw milk prices tied to pool pricing. Organic raw milk producer prices are independent of the pool and are primarily long-term contracts with organic processors and cooperatives. The FMMO system also does not balance for us because of the extreme loss of selling organic milk into the conventional market.

I am concerned that some of the proposals under consideration at the FMMO hearing would increase the pool obligations for operations like the Alexandre Family Farms creamery. The majority of our consumer business is dedicated to organic Class I fluid milk.

Organic dairy farming requires significant ongoing investments and innovative methods, for example, to improve soil and animal health. These investments are directly competing with pool payments to the FMMO. As organic farmers we should not be asked to fund a system that does not support our organic farming operations. The central question of how organic dairy fits in the FMMO system needs to be addressed at this hearing.

I understand USDA is here to decide FMMO pricing, and I do not believe organic milk belongs in the FMMO pricing system. Blake and I, along with 174 organic dairy farmers, signed a letter urging inclusion of proposed organic exemption in the hearing proceedings. USDA's response and rejection is insufficient and we believe in error. I urge USDA and Judge Strothers to reconsider that decision.


I think it makes sense for the dairy industry to be more market-oriented and encourage the development of new products. Dairy products and specifically organic dairy companies like ours have so much to offer consumers. I love milk and dairy and hope for a future where real dairy products fill my neighbors' fridges. Cow's milk provides amazing nutrition and I'd like more people to choose that over plant-juice. The pasture-based, natural grazing lifestyle our cows enjoy helps satisfy people's concern about ethical treatment of the animals that give them food. We are completely transparent on our farm - we invite everyone to come visit us and our cows and see where their milk comes from. Today we have hundreds of grateful customers who

have found our A2 organic products and have shared their joy with us that they (and their kids) can drink dairy again.

But in order to be able to continue to thrive and provide our great products to consumers, we need to be released from the FMMO system so we can focus on producing great milk and dairy products.

Thank you for the opportunity to testify.

Sincerely,



Stephanie Alexandre
Owner, Alexandre Family Farm